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Established 1887

Vance Participating

Israel, Egypt Open 'Hard' Talks Today

By William E. Farrell

JERUSALEM, Jan. 16 (NYT)—The foreign ministers of Israel and Egypt will meet here tomorrow for the start of a new round of Middle East peace talks aimed at resolving the deep differences between Israel and its Arab neighbors.

The latest step in the Egyptian-Israeli peace initiative, which began in a euphoric mood with Egyptian President Anwar Sadat's visit here on Nov. 19, will get under way in an atmosphere marked by increasingly tough rhetoric on both sides and after the scheduled talks were delayed a day because of an inability to agree on the working of an agenda.

Cambodians Said to Repel Vietnamese

Border War Believed Growing in Intensity.

By George McArthur

BANGKOK, Jan. 16.—The southern Vietnam-Cambodia border war, which appeared to be subsiding a few days ago, is now growing hotter and potentially more dangerous.

According to Western experts here, the initially defeated Cambodian border troops have made an impressive recovery. Split into smaller guerrilla units, they are on the offensive in several areas. Cambodian troops have crossed into Vietnam to attack the town of Hattien on the Gulf of Siam.

The Vietnamese invasion force has made some sizable withdrawals, although it continues to fight aggressively from about eight major fire bases established from 5 to 10 miles within Cambodian territory.

Vietnamese field commanders are under orders to expand these wedgeheads and "seek and destroy" Cambodian troop units, the Western sources said.

Executions of Prisoners

The Cambodian commanders are under orders to attack the Vietnamese wherever they are vulnerable and to take no prisoners, these sources said. Some prisoners are known to have been executed. The Vietnamese are known to have captured at least 100 men, probably many more.

Fragmentary but sometimes detailed information from various sources indicated that the Vietnamese Army commanders were surprised by the sudden resurgence of the Cambodians. The original invasion plan has evidently been altered. The armored columns operating deep within the Parrot's Beak appear to have been pulled back.

Much of the province of Svey Rieng, dominated by the Vietnamese after the initial invasion thrust, is now back in Cambodian hands. And soldiers have gone back to the fields in an effort to complete the rice harvest before the Vietnamese can return.

The fragmentary nature of available reports indicates that few clear battle lines exist. Even in border areas where Vietnamese troops are clearly in control, fighting was reported well behind the Vietnamese lines. It was known, for example, that the town of Ba Vet, directly on the border where Highway 1 enters the Parrot's Beak, has changed hands at least three times in the last several days. Ba Vet is at least 15 miles behind the supposed Vietnamese front lines.

"This is not the Vietnamese Army which took Saigon in 1975," said a Western military attaché. "They have had trouble since then. They have had trouble with a combined operation of this size, and they have had to pull-up like tanks running out of gas and that sort of thing."

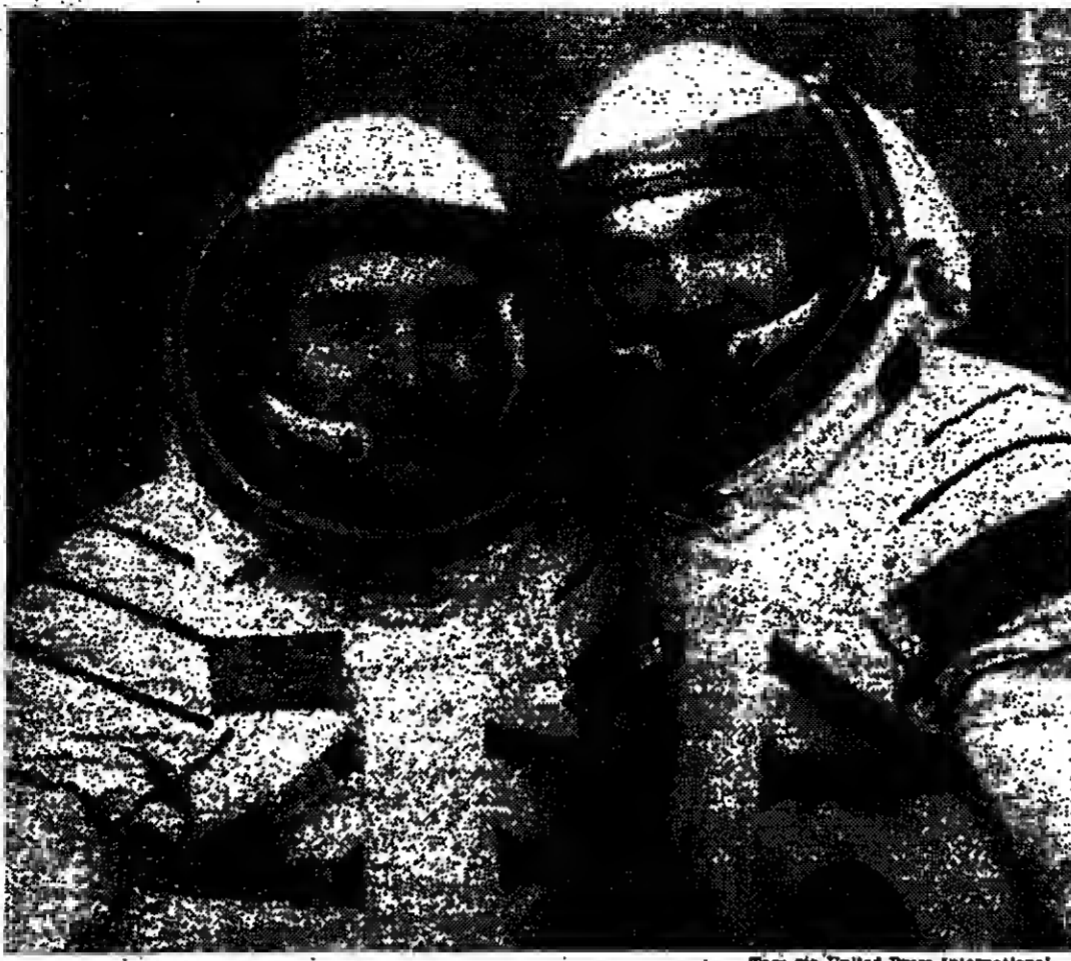
"They had it all their way for the first couple of days, and I think they made the mistake of underestimating the Cambodians," he added. "Frankly, they didn't have any respect for them, and now the Cambodians are turning out to be hard cases. The Cambodians have pulled themselves together and they are talking very aggressively."

Military observers, however, discount the propaganda claims coming from Phnom Penh radio, which is proclaiming a great victory and the destruction of 20,000 Vietnamese. But they now see the border war as a real contest.

Los Angeles Times

Cowboys Win Super Bowl

The Dallas Cowboys won the Super Bowl, 27-10, by capitalizing on four interceptions of passes by the Denver Broncos. Dallas led at the half, 13-0, but the National Football League championship game was never really close. Details on Page 13.



Vladimir Janibekov and (left) Oleg Makarov after their return to the earth yesterday.

1st Soviet Crew Remains in Space Lab

Two Cosmonauts Return to Earth

By Kevin Klose

MOSCOW, Jan. 16 (WP)—Two Soviet cosmonauts today returned to earth after five days in space aboard an orbiting laboratory with two colleagues, whom they left behind. It signaled an advance for the frequently troubled Soviet space program.

The cosmonauts returned to earth in Soyuz-26 which the first crew used to reach the Salyut-6 laboratory 37 days ago. The crew that returned left their Soyuz-27 spacecraft linked to the space station, where they had docked last Wednesday using a docking port that had first undergone a "space-walk" inspection to insure it worked.

Lt. Col. Vladimir Janibekov and flight engineer Oleg Makarov landed without mishap in Kazakhstan, the official Soviet news agency Tass said, and "feel well." National television broadcast a brief welcoming reception for the two and showed a glimpse of their spacecraft moving away from the orbiting Salyut.

The returning crew brought back research results and experiments that have been proceeding aboard the 19-ton space station since it was launched more than three months ago.

Still orbiting were Lt. Col. Yuri Romanenko and flight engineer Georgi Grechko, who have spent more than a month in space, virtually all of it uneventful so far as is known publicly. The Soviet record for space endurance is 63 days; the U.S. record is 84.

Soviet attempts to break the U.S. record have been cut short by the apparent adverse psychological effects of long-term isolation and weightlessness. However, this time the four cosmonauts were shown laughing and joking during several television transmissions, as if to dispel fears of depression or emotional fatigue of the crew that remained.

With smaller rockets and payloads than the U.S. program uses, the Soviet manned space program has been forced to conserve on the building the large orbiting lab from smaller components. Tass

alluded to this, calling the double-docking and successful return "a most important step along the road of creating permanently operating manned orbital stations with reliable crews."

The United States, which has conducted manned orbital flights between an orbiting mother ship and the surface of the moon, a much more challenging task than round-trip earth-orbit flights—has yet to

orbit its new, huge space shuttle. The reusable shuttle, now being flight-tested, can carry thousands of pounds of supplies into space and remain there for more than a month.

There have been brief, preliminary talks between the United States and the Soviet Union over a mission to dock the space shuttle with a Salyut or Soyuz. In 1975, a U.S. Apollo craft docked with a Soyuz.

Women, Minority Group Members Named by NASA as Astronauts

WASHINGTON, Jan. 16 (AP)—The space agency today chose six women, three black men and a Japanese-American to be among the 35 astronauts who will fly the nation's space shuttles in the 1980s.

It was the first time that women and minority group members were selected to join the astronaut corps. The group of 35 is the largest list of astronauts ever named and the first group since 1969.

All of the women, two of the blacks and the Japanese-American will be among 20 mission specialists in the new astronaut class. The other blacks is one of 16 pilot named. Mission specialists will handle payloads and conduct scientific experiments.

Robert Frosch, head of the National Aeronautics and Space Administration, said that the new astronauts will report July 1. (Continued on Page 2, Col. 7)

10,000 Squatters Are to Be Made Homeless

South Africa Begins to Demolish 2d Black Shantytown

CAPE TOWN, Jan. 16 (Reuters)—Black shantytowns, previously known as townships, today began smashing squatters' shacks in the black shantytown of Unibell near here.

As police with dogs surrounded the illegal squatter township, a bulldozer started to demolish the shacks. Another was standing by.

The demolition had been expected since August, when the white authorities demolished another Cape Town squatter camp at Modderdam.

The authorities say that the shantytowns are illegal, unsanitary and that most of the inhabitants are not entitled to be in the area under the system

which decrees where blacks are allowed to live in South Africa.

They want the majority of the squatters to go to tribal homelands. But by mid-morning today only 50 persons of Unibell's estimated population of 10,000 had reported to a special office set up in the township to arrange transportation.

Quake in Pakistan

ISLAMABAD, Pakistan, Jan. 16 (UPI)—An earthquake measuring 5.5 on the Richter scale shook the northwest frontier province capital of Peshawar today, officials said. There were no reported casualties.

New Elections Possible

Andreotti Steps Down; Expected to Try Again

By Paul Holtmann

ROME, Jan. 16 (NYT)—Premier Giulio Andreotti resigned today, giving official status to the government crisis caused by pressure from the Communist party for more influence in running Italy.

Members of Parliament and commentators representing diverse political currents agreed that the country may be without a fully functioning administration for a long and tense period.

Mr. Andreotti visited President Giovanni Leone shortly before noon to inform him of his decision to step down. The outgoing Premier formally explained to the head of state that his 17-month-old Cabinet no longer had majorities in the Chamber of Deputies and the Senate to support it.

In keeping with a practice developed in three dozen governments since Italy became a republic in 1946, the President asked Mr. Andreotti and his ministers to stay in office to handle current business until a new administration is set up.

It was generally understood that Mr. Leone, after a perfunctory round of consultations with party leaders and notables, would entrust the outgoing government chief with the task of forming another cabinet, probably on Thursday.

Chances Good
Mr. Andreotti's chances of succeeding himself and becoming the head of Italy's 41st government since Mussolini was overthrown in 1943 are generally considered good.

Should the Premier fail in his efforts to build another government team, the head of state might call on some other leader of the Christian Democrats, the political force that has been in control of all Italian cabinets since 1946.

Mr. Leone might also be prevailed upon to dissolve Parliament three years ahead of the constitutional end of its present term and call new general elections.

An emerging conservative wing in the Christian Democratic party is pressing for new elections in the hope that a strongly anti-Communist platform and a vigorous campaign would lead to significant gains.

Public-opinion polls and the results of recent nationwide elections for minor posts in the public-school system have appeared to support the view that the

(Continued on Page 2, Col. 3)



Giulio Andreotti leaves Chigi Palace in Rome yesterday.

If He Bars Communists

Opposition in Portugal Willing to Help Soares

LISBON, Jan. 16 (Reuters)—Portugal's leading opposition party has agreed to help caretaker Premier Mario Soares to form a stable government—provided the Communists are excluded.

Almost simultaneously, the Communists said they were ready to renew talks with Mr. Soares.

The Social Democratic party announced its policy switch after a two-day meeting of its national committee ended last night.

The party had previously maintained—ever since Mr. Soares's

minority Socialist government fell on Dec. 8 on a vote of confidence over its economic policies—that its proper role was in opposition.

Mr. Soares has been given until Wednesday to find sufficient support to insure a workable government with broad-based backing outside parliament.

He told President Antonio Ramalho Eanes Saturday that he had an agreement with the Center Democrats.

An agreement bringing the Social Democrats into line with the government would leave a numerically weak opposition in the Assembly of the Republic composed only of 40 Communists, 6 independents and a member of the extreme-left People's Democratic Union.

The Socialists have 102 members in the 263-seat house, the Social Democrats 73 and the Center Democrats 41.

The Social Democratic communiqué proposed that the three parties, with help from President Eanes, enter negotiations on a new government as soon as the exclusion of the Communists had been agreed.

But Mr. Soares has made it clear in his talks with the President that he felt the stringent measures needed to solve Portugal's economic problems required some form of understanding from the Communists.

The Communists control more than 80 per cent of organized labor, and Mr. Soares argued that trade union support would be essential for maintaining industrial peace when austerity measures start to be felt.

Brazil to Accept Atomic Controls

THE HAGUE, Jan. 16 (Reuters)—Brazil, which has refused to sign the treaty banning the spread of nuclear weapons, has agreed to put its future stores of plutonium under international control, the Dutch government said today in a letter to parliament.

The letter explained why the Cabinet was giving the go-ahead for an international uranium enrichment plant in eastern Holland.

The ultra-centrifuge enrichment project, backed by the Dutch, British and West German governments, has been delayed for more than a year because of Dutch insistence on getting tighter nonproliferation safeguards from Brazil, a key future customer.



Ferdinand Marcos

illustrations of how the system of doing business in the Philippines has worked in recent years.

To Rectify This

In the interview, Mr. Marcos seemed to be trying to head off corruption charges that could touch him personally. The President said: "No matter what anybody thinks, if there is any insinuation that any friend, relative or golf partner has taken advantage of his relationship, we are going to rectify this. I want to assure you I am sincere about this."

The President said he had ordered the Department of Energy, the solicitor general and the Department of Justice to begin an investigation of the award to Westinghouse. "Westinghouse had better look out—they may be responsible for an illegal act in the Philippines," he warned. "If there has been anything illegal committed by Westinghouse, our lawyers are studying the possibility of a quantum meruit payment, meaning a payment for what has

the power to issue governmental contracts and rewrite tax provisions by decree. Mr. Dinal's swift rise provides one of the best il-

Marcos Denies Favoritism to In-Law as Corruption Charges Mount

By Fox Butterfield

MANILA, Jan. 16 (NYT)—Faced with rising allegations of corruption, President Ferdinand Marcos has announced that he will cause payments that Westinghouse Electric made to a close friend and in-law of the President, he was considering cancellation of the U.S. corporation's contract to build a \$1.1-billion nuclear-power plant already under construction here in the Philippines.

Westinghouse has acknowledged agreeing to pay a commission to a company owned by Mr. Marcos's friend, Herminio Dinal, "for assistance in obtaining the contract and for implementation services," as a Westinghouse spokesman put it in a telephone interview with The New York Times. He refused to divulge the size of the fee to the concern, Herdis Management and Investment Corp.

A banker involved in financing the deal said the fee was \$4 million or \$5 million; another banker who took part in the discussions said it was to be paid on a per-

\$1.1-Billion Westinghouse Deal May Be Canceled

centage basis and could amount to as much as \$35 million.

There is no evidence that the President profited personally from the arrangement.

The initial award was made to Westinghouse in 1974 before the Philippine-based company had submitted detailed costs and specifications. The government simply ignored a more thoroughly documented proposal by General Electric, according to Philippine officials who participated in the discussions.

Overpricing Estimates

The award was also made despite a calculation by the Philippine National Computer Center that the Westinghouse plant was overpriced by at least \$75 million.

Other senior officials have estimated that the total overpricing on the project, including construction costs and interest on \$1.1 billion in loans, was as high as several hundred million dollars. They noted that the West-

inghouse project would be by far the most expensive for its size anywhere.

In a critical memo to President Marcos, a Cabinet member, Vincente Palarin, secretary for industry, is said to have described the Westinghouse plant before the award was made as "one reactor for the price of two."

Mr. Dinal, 41, who is a regular golfing partner of the President and who is married to a cousin of Mr. Marcos's wife, was an accountant in a tobacco company before Mr. Marcos declared martial law five years ago; now he heads the fastest-growing conglomerate in the Philippines, controlling 35 companies with assets said to be close to \$200 million.

In an interview Friday in Malacanang Palace, President Marcos said he was directing that studies be made to divest Mr. Dinal of several other lucrative business contracts he has won from the government since the imposition

of martial law. At the end of the interview, Mr. Marcos turned to one of his aides standing behind his desk and said: "Will you take note of this?"

[Mr. Marcos today ordered that three Dinal-controlled companies, in which the government has an investment of \$7.5 million, be removed from Mr. Dinal's control and sold to regional cooperatives and a veterans group, Reuters said.]

[It reported that Information Secretary Rito Tala said the firms named in a presidential take-over order are Herdis Mills Inc., Cellophil Resources Corp. and the Philippine Cellophil Film Corp., all part of Mr. Dinal's Herdis group.]

Mr. Dinal, whose wife, a physician, once lived with the Marcos family and took care of their three children, is only one of several close friends and relatives of the Marcoses who have prospered as the President acquired

Renew Quarrels

Paris Political Factions End Brief Lull in Battle

By Flora Lewis

PARIS, Jan. 16 (NYT)—The brief moment of agreement among French political leaders, provoked during the weekend by their harsh reaction to White House statements on European politics, was shattered quickly today in renewed quarrels on both sides of the left-right divide.

President Valéry Giscard d'Estaing invited all the major figures who have supported him since his election to a grand political lunch at the Elysée Palace. Participants among the 60 guests said the atmosphere was "cold."

Mr. Giscard's prime minister, Jacques Chirac, although he was willing to eat at the President's table, had already served notice that he was opposed to Prime Minister Raymond Barre's call to campaign for a parliamentary majority that would be "faithful, united, and loyal without equivocation to the President of the republic and his government."

Mr. Chirac, who was Mr. Giscard d'Estaing's prime minister and played a crucial role in his election in 1974, is fighting to win as many seats as possible for his own party. He called the decision of other parties in the government coalition to name joint candidates "disloyal and dangerous."

During the weekend, virtually all the parties and political figures in France, from the Communists to the neo-Gaullists, had sharply denounced Washington's warning against Communists in Western European governments as interference. Although the U.S. statement was aimed primarily at Italy, the French considered Paris an equal target and retorted with even more irritation.

The Communists said that Washington was trying to become the capital of France and Italy, and that both President Giscard d'Estaing and his rival, Socialist leader François Mitterrand, who is the Communists' ostensible ally, were reverting to "the times of the worst submission" to the United States.

But while they could all join in remaining White House opponents, neither government nor opposition leaders have been able to agree among themselves on the choices they will put to the voters in two rounds of legislative elections March 12 and 18.

Mr. Chirac's fire has roused when Mr. Giscard d'Estaing's Republican party, and the center-right in the government, and Jean-Jacques Servan-Schreiber's Radical party, which is outside the government, decided on joint first-round candidates in 353 of the 490 constituencies.

The group, whose negotiations took place under the aegis of Mr. Barre, running as an independent from Lyons, said their purpose was to make sure that a multitude of pro-government

candidates did not wind up dividing the vote so much that they would all fall below the 12.5-per-cent limit required to stay in the race for the second round.

Mr. Chirac considered the action an attempt to gang up on his candidates in a primary battle. That will indeed be the effect, just as maintaining separate candidates of all the little pro-government parties would have given Mr. Chirac's large party an important advantage in leading the pack against the opposition.

Therefore, the neo-Gaullists have announced they will run their own candidates in 10 constituencies where they had previously promised to support coalition partners, including three members of the government and Jean-Pierre Soisson, head of Mr. Giscard d'Estaing's Republican party. This was "a first step," Mr. Chirac's group announced, an implied threat to challenge even more important government figures in what they had expected to be safe seats.

The neo-Gaullists now make up the largest party in the National Assembly, and are determined not to lose ground to their allies. However, they have said that they will stick by the previous agreement for the second round, which provides for all the other coalition partners to withdraw in favor of whichever one of them comes in first, so as not to act as spoilers.

Long Candidates List
The 12.5-per-cent limit is new, up from 10 per cent in previous elections. In an effort to weed out finalists from the long list of candidates getting ready for the first round, in addition to the major parties, there will be ecologist candidates in about half the constituencies, and leftist and rightist extremists in many of them, as well as independents. In the second round, a plurality is enough for election.

The left coalition, with a far more profound dispute, was not even assured of unity on the second round. Mr. Mitterrand has said his Socialists will observe the pact and withdraw in support of Communists where they are leading, but the Communists have refused to say whether they will return the favor until after first-round results are in.

This has been interpreted by many here as a secret Communist decision to throw the election if necessary to prevent a Socialist victory. But the tricky election arithmetic is going to require even trickier calculations.

Because of the expected closeness of the vote, a large number of constituencies is likely to be decided by a small number of votes.

The opposition's discovery that pro-government parties found a way to manipulate a new election law so as to concentrate votes in marginal districts has created another source of fierce dispute, with cries of "fraud" and "scandal" already voiced.

The new law permits the 700,000 Frenchmen abroad to vote anywhere they choose in metropolitan France by proxy. In the past parliamentary election, 51 seats were decided by fewer than 2,000 votes. The left won 26 constituencies by 67 to 1,944 votes and the right captured 25 by 14 to 1,977 votes.

Burma, Nepal Visits Said Planned by Teng

BEIJING, Jan. 16 (AP)—Teng Hsiao-ping, the vice-premier of China, will visit Burma and Nepal at the end of next week, the Yugoslav news agency Tanjug reported today from Peking.

Mr. Teng will be the highest-ranking Chinese leader to travel abroad since the death of Chairman Mao Tse-tung, Tanjug noted.

THE SPIRIT OF TENNESSEE

is rare and rewarding. It is a friendly spirit. Hospitable. Its unique character developed by charcoal-mellowing. Discover this spirit for yourself.

Charcoal-mellowed Jack Daniel's the unforgettable Spirit of Tennessee



A smiling Jacques Chirac, mayor of Paris, leaves the Elysée Palace yesterday after conferring with President Valéry Giscard d'Estaing and other leaders of the majority.

Andreotti Resigns but He May Try Again

(Continued from Page 1)

Christian Democrats would win if an election were called now. The Communist party, Italy's second strongest political force, feels that it would have nothing to lose and might even register gains if new elections were held. Conversely, the Socialists and the other smaller parties fear that they might suffer losses in a polarization between Christian Democrats and Communists in a nationwide test now.

Last Vote's Results

In the last general elections—in June, 1976—the Christian Democratic party won 38.7 per cent of the vote, the Communists 24.4, the Socialists 9.6 and the neo-Fascist Italian Social Movement 6.1 per cent. Seven other groups accounted for the remaining 11.3 per cent of the popular vote.

Mr. Andreotti's notification to the President that the government had lost its backing in Parliament was preceded by a brief Cabinet meeting today. In it, the Premier officially told his ministers what they already knew—that the Communists, the Socialists and the small Republican party had informed him that he could no longer count on their abstention from voting on important issues before Parliament.

The outgoing Cabinet had been able to stay in power because the Communists and other parties refrained from voting against it in the Chamber and Senate. Only Mr. Andreotti's own Christian Democrats and the three deputies of the South Tyrolean People's party, a German-speaking conservative group, voted for the government.

Last summer, the Christian Democrats, the Communists and four smaller parties agreed on a legislative and administrative program. The development increased Communist influence.

Last year, the Communist party started requesting even more power. It argued that a wave of terrorism and the worsening economic situation made

India Removes High-Value Notes

NEW DELHI, Jan. 16 (Reuters)—The government tonight took high-denomination currency out of circulation in a move that political observers said could be aimed at depleting the large capital reserves of opposition parties—particularly former Prime Minister Indira Gandhi's Congress party faction.

After an emergency cabinet meeting, a presidential proclamation said that effective immediately, notes for 1,000, 5,000 and 10,000 rupees (\$120, \$600 and \$1,200) would cease to be legal tender.

Banks will close tomorrow and holders of the demonetized notes will be able to cash them only at state-owned banks on Wednesday and Thursday. They will be required to declare how, when and where they acquired the notes.

U.S. to Reduce Use Of Suspect Chemical

WASHINGTON, Jan. 16 (AP)—The Department of Labor took emergency action today to reduce the exposure of workers to an alleged cancer-causing chemical used in producing synthetic fibers.

The order sharply reduces the amount of acrylonitrile that workers can be exposed to in factories processing plants and other facilities. The colorless liquid is blamed for causing cancer in the lungs and colon.

It is imperative to establish a "national emergency government" with its direct participation.

The Communist demand for a role in government was endorsed by the Socialists and Republicans. The Christian Democratic party rejected it.

The United States, in a declaration issued in Washington last week, expressed worries that Communist influence in Italy might be strengthened. The Italian Communist party denounced

the statement as blatant intervention in Italy's domestic affairs.

A large part of the Italian press, in which leftist reporters and columnists abound, also protested the alleged U.S. meddling.

Some newspapers also pointed to a sudden slump in the international value of the lira as proof of a U.S.-directed conspiracy to bar Communists from government in Italy by increasing financial pressures.

Mr. Begin explained at the time to the President of Egypt that, in light of this generation's experience, Israel is opposed in principle to leaving any Jewish settlement under any condition without Israeli protection.

Today, Mr. Begin told visiting U.S. congressmen that he would rather resign from office than give up the northern Sinai settlements.

Today, Mr. Kamal and his aides had lunch with Mr. Dayan and his aides. The atmosphere was described as formal.

At a press briefing for Israeli correspondents today, Mr. Dayan made some sharp remarks in response to Foreign Minister Kamal's assertion on his arrival last night that there could be no peace "with the occupation of land" or "with the denial of the national rights of the Palestinian people."

Mr. Dayan said in Hebrew that "the Egyptians cannot put a pistol to our heads, saying: 'If you don't agree, we're packing our bags for Cairo.'"

The Israeli foreign minister was also critical of remarks that President Carter has made recently and that Mr. Dayan said could be impediments to progress at the peace talks. Recently, Mr. Carter reiterated the U.S. position that all of the settlements created by the Israelis in the Arab lands they captured in 1967 were "illegal and obstacles to peace."

The United Nations will have an observer, rather than an active participant, at tomorrow's meeting. He is Gen. Ennio Sikorski, head of the UN peacekeeping mission in the Middle East.

Bonn Setting Up Wiretap Probe
BONN, Jan. 16 (AP)—The West German government announced today it was setting up a special commission to investigate allegations that someone tapped the telephone of Bavarian political leader Franz Josef Strauss.

A spokesman said that the commission would be headed by former State Secretary Hermann Mascher.

Last Thursday, the liberal Munich newspaper Süddeutsche Zeitung published what it said was the transcript of a telephone conversation between Mr. Strauss and a rightist newspaper editor in which the Bavarian politician "admitted" that he had removed incriminating evidence from files on the Lockheed Aircraft Corp. A spokesman for Mr. Strauss's Christian Social Union party charged that the transcript contained several falsifications designed to incriminate the conservative political leader.

Satellite 'Hot Line' Links U.S., Russians
MOSCOW, Jan. 16 (Reuters)—A new "hot line" went into service today, linking the Kremlin and the White House by satellite instead of the less reliable land line used for the last 14 years.

The new direct communications link among the U.S. and Soviet leaders uses a satellite system from each country that should eliminate the failures of the old line, set up after the 1962 Cuban missile crisis.

14. Your father's opinion.
(Another good reason to call home.)
"An international call is the next best thing to being there."

Including Social Welfare

Dutch Premier Asks Nation To Make Economic Sacrifice

THE HAGUE, Jan. 16 (Reuters)—Premier Andries van Agt today called on the Dutch people to accept economic sacrifices during the next four years, including a cut in the social welfare system.

Outlining government policy, Mr. van Agt, who took office last month at the head of a coalition of Christian Democrats and Liberals, told the lower house of parliament: "Sacrifices will have to be demanded both from those who work and those who do not."

Details of the welfare spending cuts will not be decided until later in the year, the Premier said. He promised that the poor would not be affected by the cuts.

Mr. van Agt also made it clear that there would be no abrupt shift from the policies of the center-left administration of former Premier Joop den Uyl, in which the Christian Democrats were the junior partner.

He pledged that there would be "clear continuity" in foreign policy, with no change in the Dutch attitude to human rights, the United Nations, East-West dialogue, disarmament, the European Economic Community and the North Atlantic Treaty Organization.

"The forming of an economic and monetary union remains the final goal of our European policy," he said, adding that Common Market problems could not be solved by protectionism.

Mr. van Agt said that the government would continue to take a tough line against apartheid, but he did not say whether he would maintain the previous government's efforts to persuade the EEC to adopt economic sanctions against South Africa.

The Cabinet condemned the apartheid policy of South Africa. From the viewpoint of human rights and of world peace, far-reaching reforms must be carried out in South Africa by peaceful means within the near future," Mr. van Agt said.

He pledged that his government would maintain assistance

program to the President and his advisers. The program included explicitly the retention of the settlements in the Rafah area, which has an Israeli defense force.

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(Another good reason to call home.)
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apart measures announced by the last government and would give powerful support to UN or EEC initiatives to force South Africa to end racial inequality.

Observers said that this appeared to rule out any restoration of medium and long-term guarantees for trade with South Africa, which were stopped by the previous government.

Mr. van Agt promised that the Netherlands would continue to give at least 1.5 per cent of its net national income for development aid.

Marcos Denies Favoring Kin As Corruption Charges Mount

(Continued from Page 1)

actually been done, canceling the contract with Westinghouse and giving it to somebody else."

Because the 600-megawatt reactor has been under construction since 1976, the President conceded that such a switch could be "a little bit messy."

Among the other projects in which Mr. Dinalin has been involved and which Mr. Marcos said may now be taken away from him are these:

• A concession on 500,000 acres of pine trees in 367,000 hectares of the home region in northern Luzon, a tract assigned to Mr. Dinalin after the President reportedly cited environmental reasons and prohibited the previous holder from cutting timber. The concession is twice the legal limit for a private holding.

• A subsidiary of Mr. Dinalin's company that has been demanding large commissions from U.S. concerns that want to invest in a proposed petrochemical complex here. It would lose the standing as a government agent, Mr. Marcos said, adding that he had asked the Department of Industry to divest Mr. Dinalin of the subsidiary, which he owns jointly with Hooker Chemicals, a division of Occidental Petroleum.

• A \$30-million textile mill in a special tax-free area in the Bataan peninsula, near Manila. Apparently, the divestiture is being ordered because of allegations that Mr. Dinalin obtained financing through favoritism.

The President insisted that he had repealed a 1975 decree that put Mr. Dinalin's main competitor in the manufacture of filter cigarettes out of business by imposing a 100-per-cent tax on his concern's imported raw materials.

Mr. Marcos said he could not remember precisely when he rescinded the decree, but he thought it was last year.

Although favorable presidential decrees and consideration have been the basis of Mr. Dinalin's rapid rise, Mr. Marcos appeared to be eager to shift the responsibility for the award of the contract for the nuclear-power plant to Westinghouse, saying he was holding it responsible that a construction company set up by Mr. Dinalin had been given the right to head a consortium of contractors. The consortium, Power Contractors Inc., got the award without competitive bids.

Signaled by an Aide
The President also insisted that when the original award was made to Westinghouse for the nuclear plant in June, 1974, he was not aware that the letter of intent was signed. The official record shows that the letter was signed by Alejandro Melchor Jr., then executive secretary to Mr. Marcos and generally considered the second most powerful man in the country.

Representatives from Westinghouse had met with Mr. Marcos in Malacanang Palace a month before the award, a Westinghouse spokesman in Pittsburgh has confirmed.

Mr. Dinalin appears to have benefited in several ways from the nuclear project. Besides earning a commission for help in getting Westinghouse the award, he acquired the Westinghouse distributorship in the Philippines. Also, he received a concession from Westinghouse.

Moreover, for reasons that are unclear, Mr. Dinalin intervened to help a subsidiary of Citibank of



Andries van Agt

New York win the lucrative leadership of a syndicate of major U.S. banks that lent the Philippines \$266.6 million for the project. Mr. Dinalin's intervention apparently caused Mr. Marcos to revoke a decree giving the role of syndicate leader to Amer Bank Ltd., a London-based subsidiary of the American Express Co. The leadership of the banking consortium is said to have been worth \$2.5 million to Citibank.

In addition, a small insurance company owned by Mr. Dinalin wrote a \$688-million policy on the nuclear plant, the largest ever written in this country, and a construction company he set up in 1975 won the right to head a group of contractors in building the civil works for the plant.

The cost of the nuclear plant makes up almost a fifth of the Philippines' foreign debt of \$64 billion. An official noted that this country's central bank had on Sept. 10, 1977, approved a limit on borrowing for 1977. The last major loan approved, for \$25 million, was to Mr. Dinalin.

Mr. Dinalin's involvement in the nuclear project reportedly began early in 1974 when Westinghouse discovered that it had fallen behind General Electric in its effort to get the contract. GE had worked up a well-organized proposal, bringing its nuclear specialists to Manila for a series of professional seminars on nuclear power, having the Philippines' presidential committee visit the nuclear plant in San Jose, Calif., and preparing a central bank volume on costs and specifications tailored for the Philippines.

Two members of the committee have confirmed in an interview that the committee originally did lean toward General Electric. According to several business associates and friends, Jesus Varona, president of Asia Industries Westinghouse agent in the Philippines, evidently feared this was true and approached Mr. Dinalin to ask him to use his influence with the President in swinging the deal.

Bankers, senior officials and business associates of Mr. Dinalin who were willing to discuss the matter requested anonymity, saying they feared that their property or careers and perhaps even their lives might be in danger if their identities were known.

Venue Prepared For Bhutto Trial
ISLAMABAD, Jan. 16 (Reuters)—Twelve special courts are being established to try former Prime Minister Zulfikar Ali Bhutto and other politicians on alleged misuse of power, an official statement said today.

One of the courts will be reserved for cases against Mr. Bhutto, 50, who was ousted in a coup last July, army sources said. Gen. Mohammad Zia ul-Haq, who has ruled Pakistan by martial law since the coup, has said that six charges will probably be announced against Mr. Bhutto this month.

School Goes to Morocco
BONN, Jan. 16 (Reuters)—West German President Walter Scheel left today for a three-day trip to Morocco, which will include talks with King Hassan.

Women, Minority Group Members Named by NASA as Astronauts

(Continued from Page 1)

to NASA's Johnson Space Center in Houston. They will join 21 astronauts already on flight status.

The large number of new astronauts reflects NASA's belief that by 1980 it will be launching as many as 60 space shuttle flights a year, each with up to seven crew members.

The women named today are Anna Fisher, of Rancho Palos Verdes, Calif., a physician; Shannon Lucet, of Oklahoma City, a post-doctoral fellow in biochemistry at the Oklahoma Medical Research Foundation; Judith A. Resnik, of Redondo Beach, Calif., a member of the engineering staff of Xerox Corp.; Sally Ride, of Stanford, Calif., a research assistant in the Physics Department at Stanford University; Margaret S. Seddon, of Memphis, Tenn., a physician; Kathryn Sullivan, of Fairfax, Nova Scotia, Canada, a post-graduate student at Dalhousie University. Miss Sullivan is a U.S. citizen.

Civilian Optical Physicist
The three blacks are Air Force Maj. Guion S. Bluford Jr., of Dayton, Ohio; Air Force Maj. Frederick Gregory, of Hampton, Va.; and civilian Ronald McNair, of Marine Del Rey, Calif., who works for the Optical Physics Department of Hughes Research Laboratories.

Maj. Gregory was selected as a shuttle pilot. The Japanese-American astronaut is Air Force Capt. Ellison S. Onizuka, of Kealahou, Hawaii. He was born in Hawaii.

In 1977, the Air Force selected a black, Maj. Robert Lawrence, as a candidate for the Manned Orbiting Laboratory program, which was to have conducted military space research. That operation, which was not connected with NASA's astronaut program, never materialized, and Maj. Lawrence was killed later that year in the crash of an F-14 Starfighter.

Economy, Foreign Policy

Leaders Set Congress Priorities

By Martin Tolchin

WASHINGTON, Jan. 16 (AP)—President Carter and congressional leaders have agreed on a series of legislative priorities for the second session of the 95th Congress, which convenes Thursday.

The legislative priorities were set in a series of meetings between Vice President Mondale and the legislative leaders. The agenda was intended to counter criticism that Mr. Carter overrode Congress in the first session, inadvertently creating legislative bottlenecks by giving certain congressional committees more than they could handle.

"We found out in the first year that one must be careful not to overwork the institutions or try to solve too much too rapidly," said the vice president, who is chairman of a White House committee that sets the administration's priorities.

A nine-month session is projected. The last one ran from January to mid-December. This will give members of Congress time to campaign for re-election this fall, when the terms of all members of the House and one-third of the members of the Senate will expire.

Election Year

Legislative leaders believe that election year politics will have an impact on the legislative process. For example, they believe that it will be difficult for New York City to obtain a continuation of the federal fiscal aid that was enacted in 1975, which was not an election year. Customarily, taxes are reduced and jobs are created in election years. Both items are on the legislative agenda this year.

The next few months will disclose whether the Democratic members of Congress will support President Carter and campaign on his record or seek to dissociate themselves from the administration. Last year, the overwhelmingly Democratic Congress supported President Carter on 74.9 per cent of the votes, far less than the support given other recent Democratic presidents.

Completion of the President's energy package, which has been deadlocked since November in a House-Senate conference, is high on the agenda.

"We think we can get it on the President's desk by the middle of February," said Thomas O'Neill Jr., the speaker of the House.

Panama Canal Treaties

In the Senate, consideration of the Panama Canal Treaties will then take precedence. Sen. Robert Byrd of West Virginia, the majority leader, said that he expected a "hot, long, bitter, volatile, volatile" debate on the issue. In addition, a strategic arms limitation treaty may be signed and ready for Senate consideration.

In early spring, both houses are expected to act on a bill to be proposed by President Carter to reduce taxes and create jobs.

Congress also will be required to act by May 15 on the first budget resolution, which will set budget priorities and ceilings. This will be quickly followed by a dozen appropriations bills that will translate congressional legislative intentions into dollars and cents.

"Some so-called welfare reform," in the words of Sen. Byrd, will then occupy the Congress. The President submitted his wel-

fare proposal in September, but it has yet to emerge from congressional committees.

Two reorganization bills will also be considered. They call for reorganization of the Civil Service Commission into two agencies, one to manage and the other to arbitrate disputes, and reorganization of civil rights agencies. In addition, a Civil Service reform act revising the Civil Service Law also will be before Congress.

New U.S. Judgeships

A hospital cost containment bill, proposed by the administration last year, and a bill creating 148 new federal judgeships, which was approved in the fall by the House and Senate Judiciary Committees, are also expected to receive congressional consideration.

Congress also is expected to consider a reform of the criminal code in "the most thorough revision of criminal law in the history of the country," according to Sen. Byrd.

A bill ending the mandatory retirement of civil servants because of age and increasing to 70 the mandatory retirement age of employees in the private sector also is expected to receive final congressional consideration.

The bill passed both houses in slightly varying forms and has been in a House-Senate conference.

Legislation creating a consumer protection agency and providing for no-fault automobile insurance are among the bills that may reach the floors of both chambers.

Other possibilities include Senate consideration of revisions of the labor law, which were enacted last year by the House, legislation providing for deregulation of airlines and open guarantees for New York City.

Challenge to Constitutionality of Treaties

Supreme Court Bars Suit on Canal Pacts

WASHINGTON, Jan. 16 (AP).

The Supreme Court today refused to consider a suit challenging the validity of the Panama Canal treaties that were signed by President Carter and are now before the Senate.

The justices turned down requests that they find the treaties unconstitutional. The suit was filed by five members of Congress and four states.

The treaties, signed by Mr. Carter and Panamanian leader Omar Torrijos last Sept. 7, would give Panama control of the canal and the Canal Zone by 2000.

Modification requires approval by two-thirds of the Senate. The treaties have not yet left the Senate Foreign Relations Committee.

The suit, which named President Carter and Secretary of State Cyrus Vance as defendants, contended that the Constitution requires action by both houses of Congress to dispose of U.S. property.

Original Jurisdiction

The question was sent directly to the Supreme Court, which has what is called original jurisdiction in certain legal disputes, including treaties—that enables it to resolve them directly.

The suit was filed by Sen. Jesse Helms, R-N.C.; Sen. Strom Thurmond, R-S.C.; Sen. Orrin Hatch, R-Utah; Sen. James McClure, R-Idaho; Rep. Daniel

Flood, D-Pa., and Idaho; Iowa, Louisiana and Nebraska.

In addition, the Indiana attorney general, Theodore Sendak, and the head of the Canal Zone Police Officers' Union, William Drummond, joined in the filing.

The suit charged that the Carter administration had not given enough consideration to what would happen to U.S. rights to use the canal if the Panamanian government were to change.

Any rise in canal tolls would adversely affect the economy of each of the four states involved, the suit said, because each produces and ships products and goods in international trade.

"The proposed payment of about \$70 million annually to the Republic of Panama would result in an increase of more than 200 per cent in the tolls now charged," the suit said.

"Such an increase would not only cause a loss of trade to plaintiff states but would burden anticipated shipments of oil from Alaska or other Pacific sources to Eastern and Mississippi states, diminish the use of refineries now located in the South and decrease the utilization of shipping facilities in seacoast ports," it said.

In urging the court to throw out the suit, the Justice Department said the states could not sue the federal government on behalf of citizens and contended that congressional power to dispose of U.S. property "is not ex-

clusive but rather is concurrent with treaty-making power."

In other action today, the high court let stand a lower-court ruling that black workers who sue alleging on-the-job discrimination may offer as evidence statistics showing that their employers kept most blacks in lower-paying jobs.

The justices turned down an appeal by Stockham Valves and Fittings Inc., a Birmingham, Ala., manufacturer, which contended that such statistics do not apply to a 12-year legal fight over its alleged discriminatory practices.

The court's action clears the way for a federal trial on charges brought against Stockham by three of its black employees and the United Steelworkers Union.

The court set aside a lower-court ruling that the federal government has said would obliterate its efforts to eliminate water pollution.

The court told the Sixth U.S. Circuit Court of Appeals to re-study its decision in light of a federal law dealing with the authority of the Environmental Protection Agency.

The action was a victory for the EPA, which had contended that the appeals court was wrong when it allowed Republic Steel to elude a July 1, 1977, deadline for cleaning up water pollution at its Canton, Ohio, steel mill.

At issue was the EPA's authority to enforce an integral part of the Federal Water Pollution Control Act of 1972.

The appeals court had said that the agency's failure to come up with nationwide guidelines for controlling water pollution makes unenforceable the 1977 deadline for polluters to achieve "the best control technology currently available."

The high court left intact South Carolina's use of standardized tests to hire teachers and set their salaries—a procedure the federal government says discriminates against blacks.

The court upheld a lower-court ruling that the way members of Congress have given themselves pay raises is constitutional. The justices affirmed without comment by a 5-4 vote a three-judge panel here that the method, as provided in two laws, are constitutional.

The court also left intact the agency's failure to come up with nationwide guidelines for controlling water pollution makes unenforceable the 1977 deadline for polluters to achieve "the best control technology currently available."

A Vacant Seat

Sen. Humphrey's death is expected to touch off a scramble in a state already once shaken by former Gov. Wendell Anderson's arranging to have himself appointed to the Senate seat vacated last year by Vice President Mondale.

Last week, two days before his death, Sen. Humphrey was on the telephone working out details of one of his major pieces of unfinished business: a rewrite of U.S. foreign aid legislation. His staff was also busy rounding up co-sponsors for his major pending domestic initiative, the revised Humphrey-Hawkins full employment bill.

Even as the final prayers were being said today over Sen. Humphrey's casket, capital observers were speculating on who would succeed him.

The current governor of Minnesota, Democrat Rudolph W. Perpich said he is not interested.

The news weekly says that retired Lt. Gen. Vernon Walters mentions the incident in his autobiography, "Silent Missions," which deals in part with the Paris peace talks between North Vietnam's Le Duc Tho and former Secretary of State Henry Kissinger in the early 1970s.

Newweek reports that Gen. Walters, who sat in on the talks as a U.S. military aide, quotes Mr. Kissinger as telling Mr. Kissinger at one of his meetings: "Do you know what to do? Get rid of him." Mr. Kissinger asked, according to Newweek: "Do you mean that we should kill him?" Mr. Walters replied: "Yes, but you don't have to put that in the agreement."

Mr. Walters later became a Nobel Peace laureate—"presumably," says Gen. Walters in his book, "for something other than suggesting assassination."



Bundled up against the freezing weather, Minnesotans gather in St. Paul to view the casket of Sen. Hubert H. Humphrey. The crowd was estimated at 7,000 persons.

Carter Also Attends

Minnesotans Pay Last Tributes to Humphrey

From Wire Dispatches

ST. PAUL, Minn., Jan. 16.—The nation's leaders joined farmers and factory workers today in a final tribute to Hubert H. Humphrey.

President Carter and Vice President Mondale, members of Congress, judges and diplomats gathered at House of Hope Presbyterian Church for the funeral of the Minnesota senator. He was to be buried in neighboring Minneapolis.

Sen. Humphrey's death Friday night of cancer prompted an outpouring of sympathy from Americans' most powerful and influential citizens.

But the tributes that seemed most appropriate for Sen. Humphrey, known for his support of civil rights and jobs legislation, were the long lines of anonymous mourners, the people to whom he had dedicated his political life.

Below-Zero Weather

People waited for hours in below-zero weather outside the Minnesota Capitol, where his body lay in state, for an opportunity to walk past his casket. The Capitol remained open through the night and by midnight police estimated that more than 20,000 persons had filed through the marble rotunda.

Some wept, some sang spirituals and patriotic hymns. Many brought young children.

"I admired him because he stood for the average, common working man," said Bob Sands, a 23-year-old welder from Brooklyn Center, Minn. "I shook his hand once when I was 11 years old and I never forgot it."

Thelma Johnson, 30, a black Minneapolis housewife, said Sen. Humphrey "did more for the black people and the underprivileged than any man in history, including any president. The least I can do is be close to him at a time like this."

It was a young Hubert Humphrey, the mayor of Minneapolis, who electrified the turbulent 1948 Democratic National Convention in Philadelphia with a speech demanding a strong civil rights plank in the party platform. Adoption of the plank touched off a walkout by delegates from the South.

Sen. Humphrey's death is expected to touch off a scramble in a state already once shaken by former Gov. Wendell Anderson's arranging to have himself appointed to the Senate seat vacated last year by Vice President Mondale.

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Initiates Nigerian Ties

U.S., Shifting African Policy, Reduces Arms Aid to Zaire

By Richard Burt

WASHINGTON, Jan. 16 (AP)—The Carter administration, in a significant shift in U.S. policy toward Africa, has decided to cut military aid to Zaire by almost half and to inaugurate a security assistance program with Nigeria, according to State Department officials.

These decisions are in sharp contrast to policies pursued by the Ford administration toward the two populous and resource-rich African nations. During and after the 1975 civil war in Angola, the United States stepped up its military and economic support for Zaire while relations with Nigeria deteriorated. The Carter administration is now moving to cement close ties with Nigeria while scaling down its commitments to Zaire.

Officials said that the military assistance request for the fiscal year 1979, beginning July 1, will ask Congress to approve \$17.5 million in military credits for Zaire, mostly for the purchase of nonlethal equipment.

Substantial Cut

While Zaire will remain the largest recipient of U.S. military aid in sub-Saharan Africa, this represents a substantial cut from last year's request of \$30 million. Under a five-year military-aid plan prepared by the Pentagon last summer, Zaire was to receive a similar amount of aid this year to purchase heavy items of equipment, including M-16

tanks and armored personnel carriers.

Officials said that the Pentagon's plan has been scrapped and that Zaire would be allowed only to buy small arms and nonlethal equipment such as trucks and communications gear. The proposed cut in credits to Zaire would effectively end efforts begun by the Ford administration to upgrade Zaire's relatively small and poorly equipped army. Former Secretary of State Henry Kissinger viewed Zaire as a leading force for moderation in Africa and, following the success of Soviet-backed forces in Angola, a bulwark against the expansion of Soviet and Cuban influence in southern Africa.

A particular concern of Ford administration officials was that the well-armed regime in Angola posed a serious military threat to Zaire. Despite the outbreak of fighting in Zaire's Shaba province last spring, when Katangan rebels struck from across the Angolan border, military analysts believe that the possibility of large-scale conflict has declined, mainly because Angola is still fighting domestic insurgents.

Financial Problems

Another factor behind the aid cut was Zaire's continuing financial problems. Zaire now owes about \$3 billion in foreign loans, including over \$500 million in commercial bank loans. The State Department is working with Zaire and U.S. banks in an effort to ease the problem, but as an official noted, "Until we get this situation sorted out, our relationship with Zaire cannot grow."

But the decision to reduce on previous commitments to Zaire also reflects the administration's more basic decision to work out new understandings with regimes that in previous years were hostile to U.S. policy. As a result, Nigeria, which strongly differed with the Ford administration during the Angolan conflict, is now viewed as a pivotal factor in Mr. Carter's new African strategy.

Efforts to establish closer links with the Lagos government, the administration has approved a modest, \$2-million program for military training. Much of Nigeria's military equipment is now supplied by the Soviet Union and analysts believe that there is little chance that Washington could soon supplant Moscow as a major source of arms.

Instead, the extension of military credits for training is described as a symbolic gesture designed to demonstrate the new importance which the United States has assigned to Nigeria.

Waldheim Feels Optimistic Over Cyprus Situation

ATHENS, Jan. 16 (UPI).—UN

Secretary-General Kurt Waldheim said today he was optimistic that talks between Greek and Turkish Cypriots for a settlement of the Cyprus crisis may resume within two months.

"I have been in Ankara and Cyprus and I have the impression there is a chance for making progress in the negotiating process for Cyprus," Mr. Waldheim said when he arrived from Nicosia.

"Talks may resume in March," he said before leaving Cyprus for Athens.

The secretary-general was on the last leg of a three-country tour to Turkey, Cyprus and Greece aimed at promoting resumption of talks between the two Cypriot communities.

Mr. Waldheim is scheduled to meet Premier Constantine Karamanlis and to have talks with Foreign Minister Panayotis Papageorgiou here.

Opposing Curbs on A-Power

GAO Finds U.S. Energy Unit Intervened in California Vote

By David Burnham

WASHINGTON, Jan. 16 (AP).

Investigators of the General Accounting Office have concluded that the federal Energy Department and its San Francisco office mounted a campaign to persuade California voters to oppose a state initiative aimed at limiting nuclear power.

The GAO investigation was ordered by several congressmen after Energy Secretary James Schlesinger selected the former head of the San Francisco office, Robert Thorne, to run the nation's billion-dollar program on energy research.

The dispute over the Carter administration's nomination of Mr. Thorne for a top position in the Energy Department is a manifestation of the intense and continuing U.S. debate over the use of atomic energy in this and other countries.

Some critics have charged that the information campaign mounted in California by the federal government in 1976 is evidence that Mr. Thorne has a strong pro-nuclear bias in 1978 and should not be selected to lead a research program that is examining other energy options such as fossil fuels, solar and geothermal sources.

Agency's Denials

The GAO investigation report—a draft copy has been obtained by The New York Times—concluded that, despite the denials of officials in the now-defunct Energy Research and Development Administration, the agency did in fact mount an intensive information program "in an attempt to influence California voters to vote against the referendum."

The report said the federal campaign against the state initiative appeared to follow the policy set out by headquarters in Washington and was not just an independent effort of the energy administration's California office.

The draft said: "It appears that the San Francisco office—although perhaps initiating the program with its Sept. 19, 1976, memorandum—was carrying out the wishes of higher-level headquarters officials."

Despite this judgment, the GAO noted that the deputy and assistant directors of the San Francisco office had sent letters to the Elks and Lions Clubs of the state, offering to provide luncheon speakers who subsequently were found to have given many strongly pro-nuclear speeches.

Early today, the Long Island Lighting Co. said that about 133,000 of its suburban New York City customers still were without power, and that it would be tomorrow night before all service is restored.

In Northern California, officials rerouted water during the weekend to prevent flooding of major rivers as scattered rain and snow continue to dominate the Pacific Northwest's weather picture. Rain, snow and sleet were expected in wide areas of the southeast today.

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AROUND ROME GALLERIES

Boutique Balenciaga, 10, av. George V - Paris

Words and Bulldozers

When Israeli bulldozers began digging in the desert, the Sinai problem—under discussion in Cairo—became suddenly rather acute. For while the Sinai is largely uninhabited—and virtually uninhabitable—there are some points within the lands once owned by Egypt where the Israelis have made settlements. And to increase their number, or even the size of the existing ones, is to point up an Israeli claim to at least parts of the Sinai that it has captured in war.

This cast a damper on the Cairo meeting of Israeli and Egyptian military men, and produced some gloomy words from President Sadat. But there was to be a meeting of foreign ministers in Jerusalem; perhaps the issue could be resolved. Then the Israelis demanded phraseology in the agenda that would specify discussions of Arab Palestinians in Judea, Samaria and the Gaza Strip. This, of course, stated a verbal claim to much of the West Bank, since Judea and Samaria were portions of the old and, at least sometimes, united Israel. Those words were as emphatic as the bulldozers.

The United States, which has opposed Israeli settlements in the occupied lands, also opposed this language. It suggested a compromise between the loaded specifics of the Israeli formula and the broad vagueness of the Egyptian "the Palestinian question." Washington's proposal for the agenda was

"The West Bank and the Gaza Strip." The Egyptians accepted it, although the Palestinians were left out of the language, but the Israelis hesitated. So, Secretary of State Vance delayed his departure for the Jerusalem conference; the Israelis took the hint and the meeting in the Holy City will be convened—a day later.

So the words have been reorganized and the bulldozers accepted, for the time being. But the issues the words and the bulldozers represented have not been settled or forgotten. Indeed, they loom larger than before—and they were never minor. For virtually all of the lands taken by the Israelis in 1967 south of the Golan Heights are involved. And as the words set forth an Israeli claim on the basis of past history, so the settlements stand out as very practical symbols of Israel's view of its security requirements for the future.

The stubbornness of these issues—rather than the stubbornness of any participant in the conferences—constitutes the major threat to the success of the Egyptian-Israeli talks. They are deep-rooted in the land and the peoples thereof, and are not readily disposable. But what, for the present, is important is that the talks are continuing, despite words and bulldozers. And that just might lead to peace for a region all of whose residents desperately need it.

U.S. Jobless Rate Falls

The dramatic drop in the unemployment rate last month is extremely heartening. From 6.9 per cent in November, it declined to 6.4 per cent last month. But that is certainly no reason for the Carter administration to change its economic strategy and abandon its plans for a \$25-billion tax cut. The administration has got itself and the country into trouble before by changing its mind too quickly on the basis of a few encouraging statistics that never developed into a trend. Last spring Mr. Carter let himself be persuaded to drop the idea of a \$50 rebate to every taxpayer, on the ground that the economy had expanded unexpectedly fast in the first quarter. The growth rate has been slowly declining ever since. Abandoning the rebate was clearly the wrong decision. Before people now begin revising fiscal policy on one month's unemployment figure, they need to think again about the nature of that number.

To be useful, first of all, the unemployment rate has to be adjusted to the season. In January, for example, unemployment drops sharply as Christmas jobs end and cold weather cuts construction. The statistician's job is to try to discern the underlying patterns from figures that dance around with the calendar. It was never a simple computation, but with the very heavy unemployment since 1974 it has become vastly complex. There has never been any hint of political manipulation in these figures. The trouble is that no one formula deals entirely successfully with all of the wildly changing circumstances of the last few years. Often the basic trend can be discerned only long after the event, and that is why the statistics are constantly being revised. That is also why it is unwise to make policy on the evidence of one or two months' figures.

The unemployment rate is also, in a genuine sense, an opinion poll. If you don't have a job, the question is whether you want one—and want it badly enough actually to go looking for it. Suppose, for example, that a young woman marries and, follow-

ing an old tradition, settles down to keep house for her husband. She isn't counted as either employed or unemployed. She simply isn't figured in the labor force at all. Then suppose that she changes her mind and goes out to look for a job as, in fact, young women increasingly do. As soon as she starts looking, she is counted as unemployed. The economy hasn't otherwise changed, but the unemployment rate is up.

In recent years the number of people in the labor force—the employed plus the unemployed—has consistently risen from November to December. This year, contrary to the usual pattern, it fell. No one can say exactly why; the drop was not a large one. But if people had poured into the labor force last month as they did in previous December, the unemployment rate would have been two-tenths of a percentage point higher than it was—a significant difference. If the growth of the labor force should slacken over any sustained period, the administration would need to run a less stimulative fiscal policy. But, again, it would be foolish to shift basic policy because some people decided not to look for a job in December. Perhaps they only put it off a month.

Unemployment is disproportionately an affliction of the young. Of the 6.3 million people who are unemployed in the United States, nearly half are under 25 years old; nearly a quarter are under 20. To design remedies for unemployment, it is essential to remember that there are in fact dozens of rates describing dozens of very different categories of unemployed people. The 17-year-old youngster in Washington, looking for his first job, is unemployed for a different reason from that which has the Ohio steelworker with 20 years' experience out of work. The unemployment rates for blacks are still more than twice as high, category by category, as the rates for whites. The rate for black teen-agers—and remember that the rate counts only the people who are actively seeking work—is still 37.3 per cent.

THE WASHINGTON POST.

International Opinion

Nuclear Safeguards

Sanctions by the nuclear suppliers group would at best act as a slowing down process, merely extending the time it would take a country determined to become a nuclear power to do so. A more satisfactory long-term answer would be to encourage France and all other countries to put their weight behind the nonproliferation treaty, and to work for eventual nuclear disarmament.

—From the Times (London).

Imbalance of Trade

The imbalance of trade within the OECD (Organization for Economic Cooperation and Development)—between the United States on the one hand and Japan on the other—is now the major threat to world economic recovery... the pressure for more protectionism has mounted in the U.S. in the past year. American trade unions have been bitterly complaining that the Carter administration's

resistance to import controls means that American jobs are being exported. In this year's congressional elections, these pressures will grow. The Carter administration might be tempted to do a sudden about-turn on free trade. The rest of the world, including Britain, would suffer. If that happened, the Japanese would bear a large share of the blame.

—From the Guardian (London).

Asserting a Trade War

It is only through a sustained recovery in the world economy, in which Japan must play a major part, that the forces of protectionism will be curbed. The agreements which have just been reached with the United States can be regarded as palliatives, but Japanese Premier Takeo Fukuda's handling of the Japanese economy over the next year will help to determine whether a return to free trade can be achieved.

—From the Financial Times (London).

In the International Edition

Seventy-Five Years Ago

January 17, 1903

PARIS—A commercial cable dispatch from New York this morning reports a new development in the Negro question in the United States. The colored contingent sent to be clamoring for the enactment of a law by the Republican administration for pensioning former slaves. It threatens that, unless the request is complied with, it will carry the matter to the polls, or in some manner "hold up" the Republican party.

Fifty Years Ago

January 17, 1928

HAVANA—President Coudade today rejected the thesis that any one nation, meaning the United States, should dominate in the affairs of the Americas. Delivering the keynote address at the sixth Pan-American Congress, the chief executive sketched with broad strokes the high principles which have guided and should continue to guide the 21 nations represented at the session in their relations with each other.



'Trailblazer.'

The Politics of Calculation

By Anthony Lewis

SACRAMENTO—For the last 20 years, governors of California have held an annual prayer breakfast. Jerry Brown's first turn at the tradition, two years ago, was one of the occasions that fixed him in the public mind as far-out.

The community leaders and politicians who turned up in 1976 found fruit and cheese instead of the usual breakfast. A Sufi choir, Indian dancers and a rock band performed. A pop anthropologist admitted by the governor, Gregory Bateson, spoke about peyote rites and read from "The Ancient Mariner."

At this year's breakfast, leaders of the state senate and assembly read passages from the Bible. Dom Helder Camara, the progressive Catholic archbishop from Brazil, spoke about social justice. An Oakland high school choir sang Gospel songs, and the 700 guests had orange juice, rolls, mashed potatoes and pancakes stuffed with creamed chicken.

Normalcy

It is back to normalcy with Jerry Brown these days, and not only at the prayer breakfast. He used to be known for saying that "small is beautiful" and that we are in "an era of limits." Now he talks more about "economic development" and the "business climate." In his state budget message last week he said:

"This is still a land of dreams. It's still a place where new ideas, new beginnings occur... if we slip back and decline as a state, it will be because of thinking that looks to the 19th century instead of the 21st."

The more conventional, upbeat sounds coming from the young governor evidently reflect his political judgment. His old talk about limits and about the usefulness of government programs offended important groups—labor, business, state employees. He has studiously adjusted his position on a sensitive farm issue, the 160-acre limitation on the land any one farmer is supposed to irrigate with water from federal projects. A year ago Brown was for strict enforcement of the rule, but now he says that California needs permanent exemptions from it.

The governor is up for re-election this year, and no one doubts that he will be running. When he made his state of the state speech to the legislature this month, calling for various new programs and for \$1 billion in property tax relief, Assemblyman Willie Brown said: "I think it's a 1978 campaign to re-elect Jerry Brown speech." Many, including Jimmy Carter's advisers, believe he has more in mind than 1978.

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Energy Ideas

Brown has not by any means become a run-of-the-mill politician. Unpredictability remains an important part of his political personality. One does not hear much about Zen Buddhism anymore; but his adviser on the arts, Jacques Barzun, insists that he is still interested. His budget message included such off-beat energy ideas as building giant windmills, with 100-foot blades to generate electricity, and using wood chips converted into gas to heat the state capitol. He ended his state of the state speech in characteristically visionary tone: "We [Californians] are part of a Pacific culture united by history and geography with the emerging sector... of this earth." But his eccentricity is strictly controlled.

At the prayer breakfast, Brown said he usually hesitated to express his "personal thoughts" in public but could not help being "overcome when I see the diversity before me." He spoke of "the mix of people, black, white, Indian, native American, Mexican-American."

"My own faith," he said, "sees in the Cross a symbol of contradiction, between our desires and what we know often to be right... between this world and the next... between our wealth and spiritual riches, between what we say and do... We have to reach and constantly confront the contradictions, the hypocrisy... as we see what a small place and how isolated this planet is, perhaps we will sense a little more profoundly the dependence we all have on the everlasting spirit of which all of us come and indeed to which all of us go."

Nothing Matters

The curious thing about Jerry Brown is that he states such thoughts in a voice utterly without emotion, almost without phrasing. He might be reading a

list of statistics. The manner, confounding the words, seems to say that nothing matters.

On the weekend of Hubert Humphrey's death, Jerry Brown told us—by the way, that he represents the new politics—how much our politics has changed. Hubert Humphrey, even in his faults, practiced the politics of enthusiasm, of love. Jerry Brown's is the politics of detachment, of calculation.

On Scrapping Individual Rights

By William Korey

WASHINGTON—A remarkable inversion of the traditional language of human rights took place, virtually unnoticed, at the past session of the UN General Assembly. What had been the isolated Soviet position in 1948 on the Universal Declaration of Human Rights emerged triumphant in 1977.

In 1948, Andrei Vishinsky had provided the General Assembly with a classic exposition of the Kremlin view. Human rights, said the prosecutor of the Great Purge epoch, is "a governmental concept" and "cannot be considered outside the prerogatives of governments." He called for either a yearlong delay in the UN vote or the adoption of amendments that would have restricted individual freedoms in the interest of the state.

With the West then dominant in the General Assembly, Vishinsky's proposals were defeated. Eleanor Roosevelt, the principal architect of the Universal Declaration, predicted that the document, with its stress upon the rights of the individual, would become "the international Magna Carta of all men everywhere." And, indeed, it has.

New Priorities

Last month, however, the General Assembly decided that individual rights were no longer a principal concern. Two new "priorities" stressing collective and national rights were adopted. An exultant Soviet delegate welcomed the "significant development as laying down a 'new United Nations approach' to human rights."

The new first priority of the world body is to combat violations of the "human rights of peoples." Apartheid, racial discrimination and colonialism headed the list of violations. But the subsequent categories were far more striking: "aggression and threats against national sovereignty, national unity and territorial integrity, as well as the refusal to recognize the fundamental rights of people to self-determination, and of every nation to exercise full sovereignty over its wealth and national resources."

Down to Defeat

The Irish delegate strongly objected to a UN resolution in which "collective rights must indisputably take priority over the rights of the human person." Ambassador Andrew Young, despite his sympathy for Third World aspirations, complained that "the promotion of vital rights of the individual" had been subordinated to this new "higher priority."

Western efforts to redress the

The 'Peanut Brigade' Unveiled as Liberals

By David S. Broder

WASHINGTON—One year after he took office, you can still get a good argument in this town as to whether Jimmy Carter is a liberal, a conservative, or a what-not. But one thing is no longer in dispute: It is the liberals in Congress who have provided most of his support.

He gets more votes for his proposals from the New York City Democrats than he does from his home-state Georgia delegation. He even gets more help from Massachusetts Republicans than he does from Georgia Democrats. The "peanut brigade" in Capitol Hill is not made up of good old boys. It is composed of card-carrying (and, in some cases, even knee-jerk) liberals.

There has been a kind of conspiracy of silence to keep this fact unpublicized. Members of the White House's congressional liaison staff checked the voting records a few months ago and discovered, as one of them said, that "the Northeast and Midwest liberals are the broad support."

Moderate

But Carter has portrayed himself as a political moderate, as keen to balance the budget as to cure social ills, and his aides had no desire to link him to the left wing of his party.

Many of the liberals were equally shy about publicizing their constant support of a President whose programs they daily assailed as inadequate to the needs of the cities and the poor.

But now the Congressional Quarterly, the independent news-research organization, has compiled the voting records for the 1977 congressional session, and the identity of the "peanut brigade" is revealed for all to see.

The name that leads the rest in consistency of support for the Carter legislative program is Rep. Jonathan Bingham of the Bronx, a reform Democrat endorsed by the liberal party, and a member of Americans for Democratic Action. He backed Carter 85 per cent of the time, according to the Congressional Quarterly, and supported ADA's views 86 per cent of the time, according to the ADA.

Foes

New York City supplies four of the top 10 Carter backers, with the others being staunch liberals from Connecticut, Massachusetts, New Jersey, Minnesota, Ohio and California. All 10 of them are members of the liberal House Democratic Study Group.

At the other extreme, all 10 of the most anti-Carter House Democrats, from their voting records,

are conservatives from below the Mason-Dixon Line—two of them fellow-Georgians.

The picture is no different in the Senate. The hard-core Carterites, aside from majority leader Robert C. Byrd, are an array of liberal names, ranging from Adlai E. Stevenson of Illinois to Howard Metzenbaum of Ohio among the Democrats and from Edward Brooke of Massachusetts to Charles Percy of Illinois among the Republicans.

Predictably, it's main opponents in the Senate are conservatives, led by the hard-core Allen of Alabama among the Democrats and Harrison Schmitt of New Mexico among the Republicans.

Cadre

The Congressional Quarterly ratings, by the way, are based on a wide range of domestic and foreign policy issues—88 votes in the Senate and 79 in the House. So there is no dismissing the findings as unrepresentative.

But they raise an interesting question: If the liberals are really Carter's core on Capitol Hill, then why is there such a sense of distance between them and the President?

Even Bingham, the champion Carter supporter in Congress, praises the President's personal qualities in his year-end appraisal but says, "The results are in many ways disappointing. In my view, the President may have to take more risks if he is to prove an effective leader."

The question of the liberal estrangement from the White House was raised by one of the staunchest liberals in Carter's inner circle. He was lamenting the fact that Hubert Humphrey's death has deprived the liberal of their "natural ambassador" to Carter. And he complained that other senators like Alan Cranston of California who might play that role are "reticent" in their dealings with the President.

Allies

As a result, this high official said, Carter more often than not finds himself discussing his program, not with his natural allies in Congress, but with conservatives who are far less sympathetic to his goals. On Capitol Hill, the response to this comment is that there have been few signals from Carter himself that the liberal advice is wanted.

In either case, the liberals have less influence with Carter than their support of his program entails. It is a question, good politicians don't let themselves be shortchanged that way.

Few Challenges

The new priorities reflect the interests of most Third World governments supported by the Communist bloc. Of the 9 sponsors, only three or four belong to the developed Western world. Almost three-quarters of the sponsors were authoritarian regimes of the right or left. Few sought to challenge the overwhelming majorities that could be mobilized by the geographical blocs. On the roll-call vote in the Third Committee, only 11 Western countries, including the United States, abstained.

129 governments were recorded as being in favor, with none opposed. The task of fleshing out the new priorities was assigned to the next session of the UN Commission on Human Rights, beginning next month. Its "conclusions and recommendations" are to become the basis for programming by the General Assembly. Since the composition of the 32-member commission reflects a UN structure in which the Western democracies constitute an isolated minority, the possibility of modifying, let alone reversing, the current trend is severely limited. Yet the effort must be made, if only to preserve at least the essentials of Eleanor Roosevelt's handwork.

Mr. Korey, director of the S'nat World International Council, wrote this article for the Washington Post.

Brigade
liberal
order

BUSINESS

INTERNATIONAL
Herald Tribune

Published with The New York Times and The Washington Post

FINANCE

PARIS, TUESDAY, JANUARY 17, 1978

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U.K. Payments Surplus In '77 First Since '72

From Wire Dispatches
LONDON, Jan. 16.—Britain ran up a \$68-million balance-of-payments surplus last year, the first time it has been in the "black" since 1972, according to government figures issued today.

North Sea oil helped slash the nation's visible trade deficit from a massive \$2.57 billion in 1976 to \$1.68 billion last year, while traditional "invisible" exports such as shipping, tourism and insurance put the country into overall surplus.

The turnaround which began last August continued through the rest of the year, with a \$28-million surplus recorded on the current account for December.

However, there was a trade deficit of \$280 million in December, seasonally adjusted, compared with a revised \$72-million surplus in November. It was the first month since July that Britain reported a trade deficit.

Trade in oil showed a net deficit of \$281 million. A government spokesman said special factors played a large role in the deterioration in last month's trade position. Between November and December, there was an adverse swing in the trade of \$152 million, which was more than accounted for by shifts in oil trade and precious stones shipments, the spokesman said.

The oil deficit widened by \$153 million during the month to \$281 million, reflecting an unusually small amount of imports in November, followed by a consequent larger import bill in December.

Trade in precious stones showed an adverse swing of \$101 million from November.

Whitehall is believed to be concerned about the "unfavorable" volume trend of imports versus exports. The propensity to import, especially finished manufactured goods, is apparently on the rise. The volume of imported finished manufactured goods rose 13.8 per cent in 1977 while exports of these items increased only 8.5 per cent.

Trade officials said the main reason for the dramatic fall in the visible trade deficit was North Sea oil.

Exports of British crude, coupled with the need to import less oil from traditional suppliers in Nigeria and the Gulf, were responsible.

Loss at BSC Put at Over \$520 Million

Government Estimate Still Subject to Change

LONDON, Jan. 16 (AP).—Britain's nationalized steel industry is losing \$10 million every week, Industry Minister Eric Varley confessed to the House of Commons today.

After a week of leaks and speculation about the deficit, he told legislators the loss in the current financial year ending April 2 is "about \$520 million" and the final tally might be \$550 million more.

The admission that British Steel is likely to lose more than \$500 million comes the week after a parliamentary select committee accused the industry secretary and BSC chairman Sir Charles Villiers of deceiving them about the extent of the state steel company's financial problems.

The committee claims that Mr. Villiers indicated to them last summer that BSC's 1977-78 losses might match the previous record deficit of \$255 million in 1975-76 when internal company memos showed BSC executives predicting a loss for the current year of over \$480 million.

Commenting on these accusations, Mr. Varley said today that he had not been asked for any financial forecasts or any papers when he appeared before the parliamentary committee in December. He also defended Mr. Villiers' conduct before the committee.

Mr. Varley said the 11-year-old state-run British Steel Corp. is facing "devastating market conditions."

He reported that the government is consulting with the corporation and labor unions on "how to arrest the situation... but we are not, I repeat not, going to be panicked and take arbitrary action."

The remark was a blunt rejoinder to the Conservative opposition demands for a drastic overhaul of BSC, with the closure of loss-making plants and dismissal of thousands of the corporation's 180,000 iron and steel workers.

BSC acknowledges that some of its plants produce only 120 tons of steel per worker, against 240 tons in France, 280 tons in the United States and 520 tons in Japan.

Widespread firings could lose votes in the steel towns for the governing Labor party.

Mr. Varley said he has "full confidence" in the way the BSC chairman, kept the government informed on the state of the industry.

BSC insists its problems are related to the worldwide steel recession of 1977 and its forecasting was based on hope of an upturn late in that year, which did not take place.

The select committee of Laborites and Conservatives proposed overhauling BSC with reductions of the workforce, closures of older plants and cancellation of some projects.

These suggestions got no support today from Mr. Varley and leftist Laborites backing him in the House of Commons.

France Cuts Trade Deficit In Half in '77

PARIS, Jan. 16 (AP).—France reported today a big improvement in last year's trading performance over 1976, welcome news for President Valéry Giscard d'Estaing's government with general elections only two months away.

The unadjusted trade deficit for 1977 was almost halved—11.07 billion francs (\$2.35 billion) from 20.45 billion francs in 1976, when French agriculture was badly hit by drought.

France, entirely dependent on imported oil, managed to keep its purchases at less than \$4 billion francs, within the government's target of \$5 billion francs. Foreign Trade Minister André Rossi said.

Agricultural trade moved into its normal surplus, and the surplus on capital goods rose by 5 billion francs to 17 billion francs.

December's unadjusted surplus totaled 1.58 billion francs compared to a deficit of 2.02 billion in November and a deficit of 2.17 billion francs in December 1976.

On a seasonally adjusted basis the recovery was even more pronounced, with a surplus of 1.66 billion francs in December compared with deficits of 2.67 billion in November and 1.32 billion francs in December 1976.

Over the whole of 1977, France's seasonally adjusted deficit totaled 11.395 billion francs against a deficit of 20.99 billion a year before.

The ministry remarked that the number of job-seekers had fallen and that the number of jobs on offer continued to decline in December.

Overall, about 4.8 per cent of the working population was unemployed at the end of December.

In other news, the Labor Ministry reported the number of job-seekers declined 3.7 per cent in December, on a seasonally adjusted basis, to 1,026 million from 1,054 million in November. On an unadjusted basis, the total number of unemployed workers stood at 1,145 million at the end of last month, down just under 6 per cent from the end of November.

FINANCIAL NEWS AND NOTES

U.S. Car Sales Slumping

New U.S. car sales in early January fell 3.9 per cent to 138,094 units from the year earlier period. The results continued the pattern of recent weeks in which auto sales have lagged behind last year's levels. This unexpected weakness has puzzled industry officials who believe that generally positive economic indicators should be translating into higher levels of new-car deliveries. So far, the automakers have held to their optimistic predictions for 1978 car sales. GM's early January sales declined nearly 8 per cent from the year before. Its sales have been hurt by unexpected buyer resistance to the automaker's recently introduced and redesigned 1978 model intermediate cars. Ford and Chrysler both posted gains of 2.3 per cent for the period. American Motors, which is in a deep and extended sales slump, reported a 19-per-cent decline from last year.

Amaz Writes Down African Holdings

Amaz Inc. will write down the carrying value of a \$91.7-million investment in a Botswana mining concern to zero and the \$34.9-million carrying value of another investment in a Zambian copper producer by \$30.5 million to its recent market value. The moves, which will result in an indicated gross charge of \$122.2 million against the company's fourth-quarter earnings, will result in a net penalty of \$81 million, after estimated tax benefits, Amaz says. The write-down follows completion of a study of the investments begun last Nov. 3 in the wake of severely depressed conditions in copper and nickel markets around the world. The \$91.7-million write-down applies to the entire carrying value of Amaz's 29.9-per-cent equity in Botswana RST Ltd. and unspecified investment in that concern's subordinated indebt-

ness. The write-down of Amaz's 20.4-per-cent interest in Ruan Consolidated Mines Ltd. reduces its carrying value on Amaz's books to \$4.3 million, the quoted market value of the holding at the end of 1977. An Amaz spokesman stresses that while the Botswana and Zambia investments were being written down, "they aren't being written off. We'll continue to show those equity holdings among our investments."

Lykes Defends LTV Merger

Arguing for its proposed merger with LTV Corp., Lykes Corp. has told the Justice Department's anti-trust division that its steelmaking unit is "for all practical purposes a failing company," sources report. Bolstering its case, Lykes says that it expects to report a net loss "in the range of \$195 million" for all 1977. Attorneys for Lykes and LTV assert that by preventing the demise of Lykes's Youngstown Sheet & Tube unit and forming a larger, more efficient steel company, the combination will enhance competition in the steel industry. They describe LTV's Jones & Laughlin Steel unit as "a marginal steel company" and say that the Lykes unit is "for all practical purposes a failing company." They argue that the merged companies could expect minimum operating benefits of \$85 million to \$75 million a year. The presentation to the government also discussed the possibility that after the merger, LTV might dispose of certain of its non-steel assets and reinvest the money in its steel business, the source adds. In November, LTV and Lykes announced they intended to merge, combining their money-losing steel operations into what would be the nation's third or fourth largest steel company. However, in a 1970 agreement with the anti-trust division, LTV promised it would not make any major acquisition for 10 years without approval from the department or a federal court.

U.S. Says Risk Loans Of Banks at \$164 Billion

WASHINGTON, Jan. 16 (Reuters).—Overseas U.S. bank lending most closely associated with risk exposure totaled \$164.21 billion as of June 30, bank regulators reported today.

Switzerland and the 10 major industrialized nations other than the United States accounted for \$68.56 billion, or 41.8 per cent of the total. Loans to non-oil developing countries accounted for \$40.15 billion, or 24.5 per cent.

The report by the Federal Reserve, Controller of the Currency and Federal Deposit Insurance Corp. was based on a survey of cross-border and cross-currency loans of 119 U.S. banks with assets of \$1 billion or more.

Total bank lending overseas amounts to about \$210 billion when loans denominated in the currency of the country where the loan is made are counted.

But the Fed said it is the lending by U.S. banks to one country to residents of another country and lending in a currency other than that of the borrower which are the truest test of country risk.

The survey was the most comprehensive yet of country risk and the agencies said they plan to update the report semi-annually.

Among non-oil developing countries, the report showed Brazil and Mexico combined accounted for \$21.91 billion in cross-country and cross-currency loans, or about 54.6 per cent of all lending to non-oil-developing nations.

Of the \$10.59 billion in lending in Brazil, \$3.32 billion was on terms of one year or less and 6.4 per cent was guaranteed by residents of other countries.

Of the \$11.32 billion in lending in Mexico, \$5.46 billion was on terms of one year or less and 5 per cent was guaranteed by residents of other countries.

Lending in Peru totaled \$1.9 billion, of which \$922 million was of one year or less maturity and 2.5 per cent was guaranteed by residents of other countries.

The nation with the largest volume of outstanding loans was

Britain, with \$25.14 billion, of which \$19.09 billion has a maturity of one year or less and 43.8 per cent is externally guaranteed.

The oil-exporting countries accounted for \$12.16 billion in cross-country and cross-currency lending.

Of all such lending, \$56.67 billion was to banks, \$83.54 billion was to other private borrowers and \$42 billion was to public borrowers. Overall, 63 per cent of these cross-border, cross-currency claims had maturities of one year or less.

Crédit Suisse Hits U.S. for Trying to Impose Standards

ZURICH, Jan. 16 (AP-DJ).—Oswald Aepli, chairman of Credit Suisse, said today that concern is growing in Europe about the tendency of some U.S. regulatory agencies, especially the Securities and Exchange Commission, to make American laws and practices applicable outside U.S. frontiers.

Speaking at the Swiss-American Chamber of Commerce, he questioned "whether the SEC realizes that other nations have different legal conceptions and might therefore disagree on the desirability of a worldwide application of the U.S. securities laws."

He said that the United States seems to neglect the existence of foreign securities laws. He added: "Yet they exist, but they are based on a different philosophy. We do not believe that public disclosure of all and any corporate information is the ultimate solution. We too have disclosure requirements, but on a more modest scale. We believe, for example, that an investor is much more inclined to study a prospectus of three or four pages than to wade through a prospectus-book of a hundred pages."

He said that as an "inevitable consequence of this attitude, capital flows into the United States (have) become more difficult."

"In my opinion, the extensive application of the American securities laws goes too far." He added that "not all citizens of countries with less comprehensive securities regulations are criminals. Not all corporations which don't meet the American disclosure standards are 'fake enterprises.'"

Manufacturing inventories increased to \$177.1 billion from \$176.79 billion in October.

Retail inventories rose to \$88.47 billion in November from \$87.45 billion, while wholesale inventories increased to \$68.42 billion from \$68.21 billion.

In the first 11 months of 1977, sales totaled \$24.4 trillion compared with \$1.19 trillion in the 1976 period.

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Mexico Plans to Raise Steel Capacity by 30%

MEXICO CITY, Jan. 16 (AP-DJ).—Mexico intends to increase its steel production capacity by at least 30 per cent over the next three years, the government announced today.

The industry has an installed capacity of nine million tons now and expects to boost that to 11.7 million tons per year, the government said.

The program will require an investment of 35 million dollars (\$1.54 billion), with 55 per cent to come from the government and the remainder from private enterprise, it said.

This year's production is estimated at 6.8 million tons, sufficient to meet domestic demand and provide a surplus of 300,000 tons for export.

Poullain Fall Ignites Political Fury

BONN, Jan. 16 (UPI).—By breaking most of the rules, Ludwig Poullain managed in only 10 years to convert a modest state-owned clearing house bank into the 20th largest bank in the world.

But he broke one rule too many, and that cost him his job. It also triggered a political scandal that could rock the national government itself.

Mr. Poullain burst onto the national scene in 1968, when he brought off the merger of two provincial savings bank clearing houses to create the Westdeutsche Landesbank Girozentrale, with himself as chairman of the new management board.

Mr. Poullain vigorously stretched the rules governing clearing house banks, establishing branches in London, New York and Tokyo, investing heavily in industrial shares and construction projects, getting into the Eurodollar market and Latin America.

By the end of 1977, he had made West LB the third largest bank in West Germany, sixth largest in Europe, 20th in the world. The 1977 balance will be around 75 billion DM.

Above all, Mr. Poullain abandoned the traditional banker's discretion, moving out of the closed conference room to seize any opportunity to voice an opinion on a television program or in a newspaper interview.

He also avoided other bankers after working hours, preferring a faster set of friends. Chancellor Helmut Schmidt, a Social Democrat, sometimes sought the banker's advice, although he later became disenchanted, claiming that "Poullain chatters too much."

Mr. Poullain inserted himself into the 1978 wage debate, calling on workers to lower their demands to a more moderate level. That same year, however, he managed to win an increase of his own annual salary from 350,000 to 430,000 DM plus royalties of another 150,000 DM.

Not everything he touched turned to gold. West LB lost a packet in a West Berlin building deal, dropped about 270 million DM in foreign exchange trading in 1973, and spent a controversial 25 million DM last year buying an office building in London that some West LB guarantors thought unnecessary.

Nevertheless, when the supervisory board met Dec. 2, it renewed Mr. Poullain's contract for another five years. Twenty-one days later, he resigned.

Mr. Poullain quit when told that a public prosecutor was investigating a 1-million-DM com-

U.S. Reports Record Corn Crop Last Year

WASHINGTON, Jan. 16 (AP-DJ).—Last year's U.S. corn crop, an important factor in this year's food prices, was a record of almost 6.35 billion bushels, up 1 per cent from 1976, the Agriculture Department said today.

The final estimate was 9.5 million bushels less than the department forecast last November.

The 1977 corn crop was the third record harvest in succession, topping the 6.27 billion bushels of 1976 and the 5.83 billion bushels recorded in 1975.

Soybean production last year was nearly 1.72 billion bushels, up 23 per cent from the 1.39 billion bushels produced in 1976.

The department's "all crops" production index was placed at a record of 129 per cent of the 1967 base used as a standard, compared with 121 per cent in 1976 and 1975, the previous high.

Company Reports

Revenue, Profits in Millions of Dollars			
Fourth Quarter	1977	1976	
Chase Manhattan			
Revenue	362.3	25.7	
Profits	1.06	0.80	
Per Share	37.0	37.0	
Per Share	1.09	1.15	
Year			
Revenue	123.2	106.1	
Profits	3.71	3.28	
Per Share	127.0	116.4	
Per Share	3.53	3.63	
Diamond Shamrock			
Revenue	1,640.0	1,350.0	
Profits	162.1	140.0	
Per Share	4.28	3.90	
First Pennsylvania			
Revenue	6.3	4.9	
Profits	0.47	0.37	
Per Share	5.74	4.97	
Per Share	0.44	0.38	
Year			
Revenue	21.8	21.1	
Profits	2.10	1.60	
Per Share	28.0	23.2	
Per Share	2.06	1.76	
International Business Machines			
Revenue	5,040.0	4,520.0	
Profits	797.4	974.0	
Per Share	5.38	4.47	
Year			
Revenue	18,100.0	16,300.0	
Profits	2,719.0	2,396.0	
Per Share	18.30	15.94	
Kaiser Aluminum			
Revenue	662.0	433.0	
Profits	30.0	—2.3	
Per Share	1.48	—	
Share dil.	1.38	—	
Year			
Revenue	2,230.0	1,980.0	
Profits	112.0	44.0	
Per Share	5.83	2.14	
Share dil.	5.16	2.08	

Market Shut

The Tokyo Stock Exchange and other markets in Japan were closed Monday for a national holiday.

Inventories Rise 5% in U.S., Sales Climb 1 Per Cent

WASHINGTON, Jan. 16 (Reuters).—Business inventories rose 5.15 billion, or 0.5 per cent in November to a seasonally-adjusted \$331.99 billion following a \$950-million increase in October, the Commerce Department said today.

Total sales, meanwhile, rose 1 per cent, or \$2.37 billion, in November to \$229.9 billion after a \$3.29-billion gain in October.

Manufacturing inventories increased to \$177.1 billion from \$176.79 billion in October.

Retail inventories rose to \$88.47 billion in November from \$87.45 billion, while wholesale inventories increased to \$68.42 billion from \$68.21 billion.

In the first 11 months of 1977, sales totaled \$24.4 trillion compared with \$1.19 trillion in the 1976 period.

APPEL D'OFFRES INTERNATIONAL

CHAMP DE GAZ OFF-SHORE
DE MISKAR (TUNISIE)

Ingénierie des installations
de traitement off-shore

Le groupe Etude Miskar, agissant pour le compte de la future entité responsable de la réalisation du projet de développement du gisement de gaz de Miskar, dans le Golfe de Gabès, lance un appel d'offres en vue de passer commande pour :

INGENIERIE DES INSTALLATIONS DE TRAITEMENT OFF-SHORE

Les Sociétés d'Ingénierie intéressées par cet appel d'offres sont invitées à retirer le dossier correspondant à partir du mardi 17 janvier 1978 à l'adresse suivante :

GROUPE ETUDE MISKAR - 11 Av. KHEREDDINE PACHA TUNIS - Tél. 12128 TN

et ce, moyennant le paiement d'une somme de cent cinquante (150) Dinars Tunisiens par dossier ou de sa contre-valeur en devises étrangères.

Les propositions relatives à cet appel d'offres devront parvenir au plus tard le mardi 23 février 1978 à 17 heures.

Compagnie Financière de la Deutsche Bank AG

Société Anonyme, Luxembourg

A wholly-owned subsidiary of Deutsche Bank AG, Frankfurt (Main)

Euro currency loans
deposit dealing · bond trading

Commercial Register Luxembourg B 9164
25, Boulevard Royal · P.O. Box 586 · Luxembourg
Telephone: 464411 · Telex: 2748 · Cable: deutschbanklux

Financial Highlights
- in millions of US-Dollars -

as per the end of the financial year (September 30)
1976/77 1975/76 1974/75

Balance Sheet Total 5,175 4,900 3,978
Loans to and Deposits with Banks 1,491 2,072 1,426
Loans and Advances to Customers 3,238 2,327 2,353
Credit Volume 3,909 2,797 2,712
Capital and Reserves 114 74 41
Profit for the Financial Year 14 19 16

After allocation of the year's net profit, capital and reserves now amount to about US \$128 million.

CEMENT:

WILL THERE BE ENOUGH CAPACITY?

Demand for portland cement has been growing steadily and within three years, demand and supply will be in close balance in many places.

CEMENT ESTIMATED CAPACITY VS. PRODUCTION
Millions of Tons - Portland Cement Sales

Write for Our Annual Report

One Greenpark Plaza
Greenwich, Conn.
06830, U.S.A.

J - K

	12 Month High Low	Stock Div %	1 Yr.	P/E	81s. 1980	High Low	3 m. 1980
2396 21 IowaPB	1.92	0.9	8	163	32	21%	21%
2397 21 IowaPB	1.32	1.7	17	180	20%	19%	19%
2398 21 JercC	45	2.7	27	251	19	17%	17%
2399 124th pf	1.44	9.7	37	21	5%	9%	9%
2478 125th JamesF	1.29	5.9	18	21	20%	20%	20%
1794 125th Jantzen	50	5.10	37	107	85%	14%	14%
10 2479 125th Jantzen	3.12	1.1	10	107	85%	14%	14%
2480 25th JeffRoff	36	2.4	915	28%	37%	37%	37%
10 7 2481 JercC	97	9.36	93	200	100%	100%	100%
2482 24th JercC	77	7.20	92	185	100%	100%	100%
2483 18th JewellC	1.30	7.1	110	188	18%	18%	18%
2484 24th Jewesscor	4	3.6	100	100	3%	3%	3%
2485 27th JohnL	1.60	5.7	135	70%	69%	69%	69%
2774 62nd JohnL	1.70	2.47	21	5%	9%	9%	9%
2486 24th JohnC	30	3.11	11	25%	25%	25%	25%
2487 11th JonL	50	5.5	142	21%	100%	100%	100%
2488 24th JovC	1.10	4.1	119	31%	24%	24%	24%
2489 18th Jowers	4.1	4.10	2	6%	6%	6%	6%
2490 24th Jowers	1.50	4.7	19	31%	24%	24%	24%
2491 24th Jowers	1.50	4.7	19	31%	24%	24%	24%
2492 24th KLMAR	34	6.0	21	33%	54%	54%	54%
2493 24th KMar	34	6.0	21	33%	54%	54%	54%
2775 27th KalerA	1.40	4.9	6	16%	5%	5%	5%
1576 9th KabanC	24	5.0	5.1	101	14%	14%	14%
1795 125th KalcC	31.57	8.5	6	10%	10%	10%	10%
194 9th Kalmes	1.10	8.2	19	24%	24%	24%	24%
1196 24th KaneH	41	4.7	11	7%	6%	6%	6%
2494 24th KaneH	1.50	8.5	40	24%	24%	24%	24%
2495 24th KaneH	1.50	8.5	40	24%	24%	24%	24%
2496 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2497 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2498 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2499 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2500 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2501 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2502 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2503 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2504 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2505 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2506 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2507 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2508 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2509 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2510 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%
2511 24th KCCVPL	2.46	8.7	9	28%	28%	28%	28%

The Bank of Nova Scotia

... ..

12 Month - Stock				12 Month - Stock				12 Month - Stock				12 Month - Stock			
High	Low	Div	Yld	High	Low	Div	Yld	High	Low	Div	Yld	High	Low	Div	Yld
Continued from preceding page				Continued from preceding page				Continued from preceding page				Continued from preceding page			
244	244	1.50	4.5	238	238	23	3.1	244	244	1.50	4.5	238	238	23	3.1
245	245	1.50	4.5	239	239	24	3.2	245	245	1.50	4.5	239	239	24	3.2
246	246	1.50	4.5	240	240	25	3.3	246	246	1.50	4.5	240	240	25	3.3
247	247	1.50	4.5	241	241	26	3.4	247	247	1.50	4.5	241	241	26	3.4
248	248	1.50	4.5	242	242	27	3.5	248	248	1.50	4.5	242	242	27	3.5
249	249	1.50	4.5	243	243	28	3.6	249	249	1.50	4.5	243	243	28	3.6
250	250	1.50	4.5	244	244	29	3.7	250	250	1.50	4.5	244	244	29	3.7
251	251	1.50	4.5	245	245	30	3.8	251	251	1.50	4.5	245	245	30	3.8
252	252	1.50	4.5	246	246	31	3.9	252	252	1.50	4.5	246	246	31	3.9
253	253	1.50	4.5	247	247	32	4.0	253	253	1.50	4.5	247	247	32	4.0
254	254	1.50	4.5	248	248	33	4.1	254	254	1.50	4.5	248	248	33	4.1
255	255	1.50	4.5	249	249	34	4.2	255	255	1.50	4.5	249	249	34	4.2
256	256	1.50	4.5	250	250	35	4.3	256	256	1.50	4.5	250	250	35	4.3
257	257	1.50	4.5	251	251	36	4.4	257	257	1.50	4.5	251	251	36	4.4
258	258	1.50	4.5	252	252	37	4.5	258	258	1.50	4.5	252	252	37	4.5
259	259	1.50	4.5	253	253	38	4.6	259	259	1.50	4.5	253	253	38	4.6
260	260	1.50	4.5	254	254	39	4.7	260	260	1.50	4.5	254	254	39	4.7
261	261	1.50	4.5	255	255	40	4.8	261	261	1.50	4.5	255	255	40	4.8
262	262	1.50	4.5	256	256	41	4.9	262	262	1.50	4.5	256	256	41	4.9
263	263	1.50	4.5	257	257	42	5.0	263	263	1.50	4.5	257	257	42	5.0
264	264	1.50	4.5	258	258	43	5.1	264	264	1.50	4.5	258	258	43	5.1
265	265	1.50	4.5	259	259	44	5.2	265	265	1.50	4.5	259	259	44	5.2
266	266	1.50	4.5	260	260	45	5.3	266	266	1.50	4.5	260	260	45	5.3
267	267	1.50	4.5	261	261	46	5.4	267	267	1.50	4.5	261	261	46	5.4
268	268	1.50	4.5	262	262	47	5.5	268	268	1.50	4.5	262	262	47	5.5
269	269	1.50	4.5	263	263	48	5.6	269	269	1.50	4.5	263	263	48	5.6
270	270	1.50	4.5	264	264	49	5.7	270	270	1.50	4.5	264	264</		

12 Month - Stock				12 Month - Stock				12 Month - Stock				12 Month - Stock			
High	Low	Div	Yld	High	Low	Div	Yld	High	Low	Div	Yld	High	Low	Div	Yld
Continued from preceding page				Continued from preceding page				Continued from preceding page				Continued from preceding page			
244	244	1.50	4.5	238	238	23	3.1	244	244	1.50	4.5	238	238	23	3.1
245	245	1.50	4.5	239	239	24	3.2	245	245	1.50	4.5	239	239	24	3.2
246	246	1.50	4.5	240	240	25	3.3	246	246	1.50	4.5	240	240	25	3.3
247	247	1.50	4.5	241	241	26	3.4	247	247	1.50	4.5	241	241	26	3.4
248	248	1.50	4.5	242	242	27	3.5	248	248	1.50	4.5	242	242	27	3.5
249	249	1.50	4.5	243	243	28	3.6	249	249	1.50	4.5	243	243	28	3.6
250	250	1.50	4.5	244	244	29	3.7	250	250	1.50	4.5	244	244	29	3.7
251	251	1.50	4.5	245	245	30	3.8	251	251	1.50	4.5	245	245	30	3.8
252	252	1.50	4.5	246	246	31	3.9	252	252	1.50	4.5	246	246	31	3.9
253	253	1.50	4.5	247	247	32	4.0	253	253	1.50	4.5	247	247	32	4.0
254	254	1.50	4.5	248	248	33	4.1	254	254	1.50	4.5	248	248	33	4.1
255	255	1.50	4.5	249	249	34	4.2	255	255	1.50	4.5	249	249	34	4.2
256	256	1.50	4.5	250	250	35	4.3	256	256	1.50	4.5	250	250	35	4.3
257	257	1.50	4.5	251	251	36	4.4	257	257	1.50	4.5	251	251	36	4.4
258	258	1.50	4.5	252	252	37	4.5	258	258	1.50	4.5	252	252	37	4.5
259	259	1.50	4.5	253	253	38	4.6	259	259	1.50	4.5	253	253	38	4.6
260	260	1.50	4.5	254	254	39	4.7	260	260	1.50	4.5	254	254	39	4.7
261	261	1.50	4.5	255	255	40	4.8	261	261	1.50	4.5	255	255	40	4.8
262	262	1.50	4.5	256	256	41	4.9	262	262	1.50	4.5	256	256	41	4.9
263	263	1.50	4.5	257	257	42	5.0	263	263	1.50	4.5	257	257	42	5.0
264	264	1.50	4.5	258	258	43	5.1	264	264	1.50	4.5	258	258	43	5.1
265	265	1.50	4.5	259	259	44	5.2	265	265	1.50	4.5	259	259	44	5.2
266	266	1.50	4.5	260	260	45	5.3	266	266	1.50	4.5	260	260	45	5.3
267	267	1.50	4.5	261	261	46	5.4	267	267	1.50	4.5	261	261	46	5.4
268	268	1.50	4.5	262	262	47	5.5	268	268	1.50	4.5	262	262	47	5.5
269	269	1.50	4.5	263	263	48	5.6	269	269	1.50	4.5	263	263	48	5.6
270	270	1.50	4.5	264	264	49	5.7	270	270	1.50	4.5	264	264	49	5.7
271	271	1.50	4.5	265	265	50	5.8	271	271	1.50	4.5	265	265	50	5.8
272	272	1.50	4.5	266	266	51	5.9	272	272	1.50	4.5	266	266	51	5.9
273	273	1.50	4.5	267	267	52	6.0	273	273	1.50	4.5	267	267	52	6.0
274	274	1.50	4.5	268	268	53	6.1	274	274	1.50	4.5	268	268	53	6.1
275	275	1.50	4.5	269	269	54	6.2	275	275	1.50	4.5	269	269	54	6.2
276	276	1.50	4.5	270	270	55	6.3	276	276	1.50	4.5	270	270	55	6.3
277	277	1.50	4.5	271	271	56	6.4	277	277	1.50	4.5	271	271	56	6.4
278	278	1.50	4.5	272	272	57	6.5	278	278	1.50	4.5	272	272	57	6.5
279	279	1.50	4.5	273	273	58	6.6	279	279	1.50	4.5	273	273	58	6.6
280	280	1.50	4.5	274	274	59	6.7	280	280	1.50	4.5	274	274	59	6.7
281	281	1.50	4.5	275	275	60	6.8	281	281	1.50	4.5	275	275	60	6.8
282	282	1.50	4.5	276	276	61	6.9	282	282	1.50	4.5	276	276	61	6.9
283	283	1.50	4.5	277	277	62	7.0	283	283	1.50	4.5	277	277	62	7.0
284	284	1.50	4.5	278	278	63	7.1	284	284	1.50	4.5	278	278	63	7.1
285	285	1.50	4.5	279	279	64	7.2	285	285	1.50	4.5	279	279	64	7.2
286	286	1.50	4.5	280	280	65	7.3	286	286	1.50	4.5	280	280	65	7.3
287	287	1.50	4.5	281	281	66	7.4	287	287	1.50	4.5	281	281	66	7.4
288	288	1.50	4.5	282	282	67	7.5	288	288	1.50	4.5	282	282	67	7.5
289	289	1.50	4.5	283	283	68	7.6	289	289	1.50	4.5	283	283	68	7.6
290	290	1.50	4.5	284	284	69	7.7	290	290	1.50	4.5	284	284	69	7.7
291	291	1.50	4.5	285	285	70	7.8	291	291	1.50	4.5	285	285	70	7.8
292	292	1.50	4.5	286	286	71	7.9	292	292	1.50	4.5	286	286	71	7.9
293	293	1.50	4.5	287	287	72	8.0	293	293	1.50	4.5	287	287	72	8.0
294	294	1.50	4.5	288	288	73	8.1	294	294	1.50	4.5	288	288	73	8.1
295	295	1.50	4.5	289	289	74	8.2	295	295	1.50	4.5	289	289	74	8.2
296	296	1.50	4.5	290	290	75	8.3	296	296	1.50	4.5	290	290	75	8.3
297	297	1.50	4.5	291	291	76	8.4	297	297	1.50	4.5	291	291	76	8.4
298	298	1.50	4.5	292	292	77	8.5	298	298	1.50	4.5	292	292	77	8.5
299	299	1.50	4.5	293	293	78	8.6	299	299	1.50	4.5	293	293	78	8.6
300	300	1.50	4.5	294	294	79	8.7	300	300	1.50	4.5	294	294	79	8.7
301	301	1.50	4.5	295	295	80	8.8	301	301	1.50	4.5	295	295	80	8.8
302	302	1.50	4.5	296	296	81	8.9	302	302	1.50	4.5	296	296	81	8.9
303	303	1.50	4.5	297	297	82	9.0	303	303	1.50	4.5	297	297	82	9.0
304	304	1.50	4.5	298	298	83	9.1	304	304	1.50	4.5	298	298	83	9.1
305	305	1.50	4.5	299	299	84	9.2	305	305	1.50	4.5	299	299	84	9.2
306	306	1.50	4.5	300	300	85	9.3	306	306	1.50	4.5	300	300	85	9.3
307	307	1.50	4.5	301	301	86	9.4	307	307	1.50	4.5	301	301	86	9.4
308	308	1.50	4.5	302	302	87	9.5	308	308	1.50	4.5	302	302	87	9.5
309	309	1.50	4.5	303	303	88	9.6	309	309	1.50	4.5	303	303	88	9.6
310	310	1.50	4.5	304	304	89	9.7	310	310	1.50	4.5	304	304	89	9.7
311	311	1.50	4.5	305	305	90	9.8	311	311	1.50	4.5	305	305	90	9.8
312	312	1.50	4.5	306	306	91	9.9	312	312	1.50	4.5	306	306	91	9.9
313	313	1.50	4.5	307	307	92	10.0	313	313	1.50	4.5	307	307	92	10.0
314	314	1.50	4.5	308	308	93	10.1	314	314	1.50	4.5	308	308	93	10.1
315	315	1.50	4.5	309	309	94	10.2	315	315	1.50	4.5	309	309	94	10.2
316	316	1.50	4.5	310	310	95	10.3	316	316	1.50	4.5	310	310	95	10.3
317	317	1.50	4.5	311	311	96	10.4	317	317	1.50	4.5	311	311	96	10.4
318	318	1.50	4.5	312	312	97	10.5	318	318	1.50	4.5	312	312	97	10.5
319	319	1.50	4.5	313	313	98	10.6	319	319	1.50	4.5	313	313	98	10.6
320	320	1.50	4.5	314	314	99	10.7	320	320	1.50	4.5	314	314	99	10.7
321	321	1.50	4.5	315	315	100	10.8	321	321	1.50	4.5	315	315	100	10.8
322	322	1.50	4.5	316	316	101	10.9	322	322	1.50	4.5	316	316	101	10.9
323	323	1.50	4.5	317	317	102	11.0	323	323	1.50	4.5	317	317	102	11.0
324	324	1.50	4.5	318	318	103	11.1	324	324	1.50	4.5	318	318	103	11.1
325	325	1.50	4.5	319	319	104	11.2	325	325	1.50	4.5	319	319	104	11.2
326	326	1.50	4.5	320	320	105	11.3	326	326	1.50	4.5	320	320	105	11.3
327	327	1.50	4.5	321	321	106	11.4	327	327	1.50	4.5	321	321	106	11.4
328	328	1.50	4.5	322	322	107	11.5	328	328	1.50	4.5	322	322	107	11.5
329	329	1.50	4.5	323	323	108	11.6	329	329	1.50	4.5	323	323	108	11.6
330	330	1.50	4.5	324	324	109	11.7	330	330	1.50	4.5	324	324	109	11.7
331	331	1.50	4.5	325	325	110	11.8	331	331	1.50	4.5	325	325	110	11.8
332	332	1.50	4.5	326	326	111	11.9	332	332	1.50	4.5	326	326	111	11.9
333	333	1.50	4.5	327	327	112	12.0	333	333	1.50	4.5	327	327	112	12.0
334	334	1.50	4.5	328	328	113	12.1	334	334	1.50	4.5	328	328	113	12.1
335	335	1.50	4.5	329	329	114									

European Markets

(Yesterday's closing prices
in local currencies)

All these securities have been sold. This announcement appears as a matter of record only.

NEW ISSUE

December, 1977

LANDSVIRKJUN

(THE NATIONAL POWER COMPANY)

Reykjavik, Iceland

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20 000 000 Swiss Francs

5 % Bonds 1977—1989

Guaranteed by the Republic of Iceland and the City of Reykjavik

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Banque Vaudoise de Crédit

Baselensdachschaftliche Hypothekbank

EKO Hypothekar- und Handelsbank

First Chicago S.A.

Luzerner Landbank AG

Amsterdam	
AG Un	31
Gulmest	1
Hewlett-Pack	39
Hudson Bay	39
Impo	39
Impo	39
Mark-Span	1
Marin Bar	1
Nicolaï	0.1
Plessey	0.1
Sand Mine	2.4
Rank Org	2.4
Royal Dutch	2.4
Shell	2.4
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Thorn LAI	2.4
Tube Invest	2.4
Union Carb	2.4
Vak	2.4
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[illegible]

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can help you protect yourself against
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More than money in any language

[illegible]

هكذا في الاصل

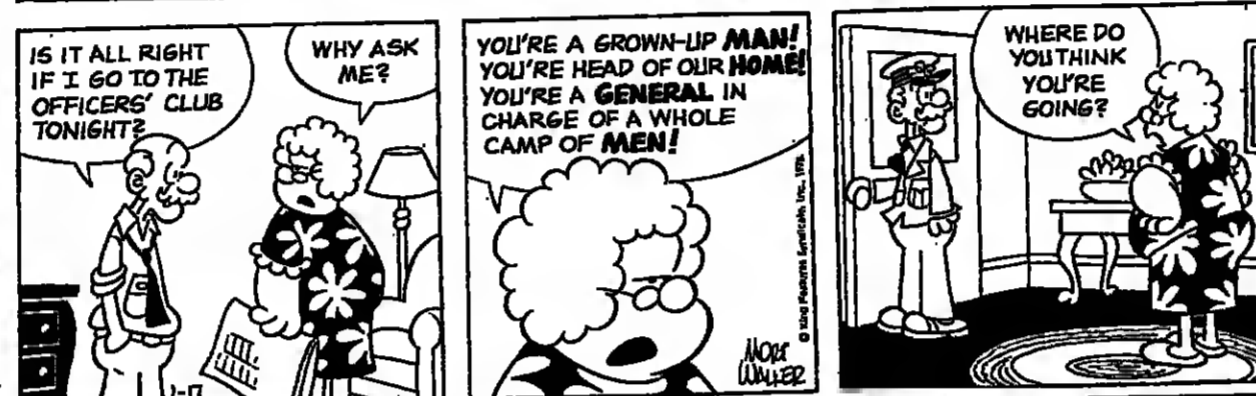
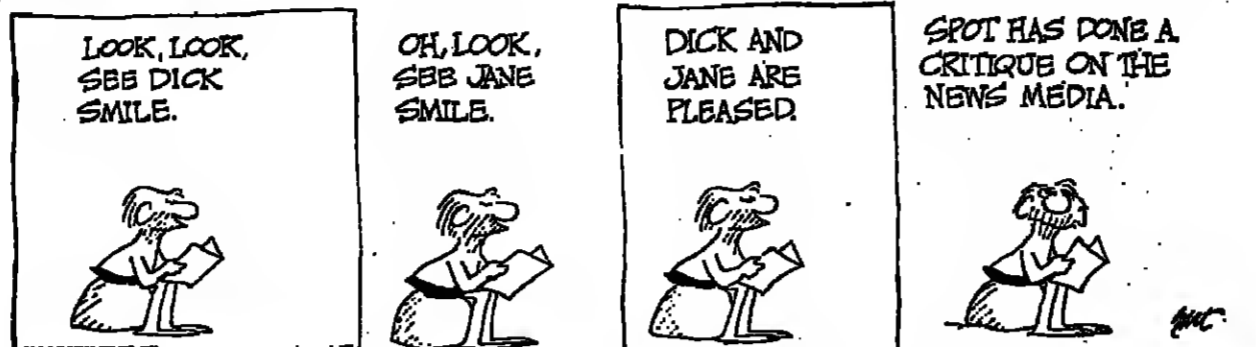
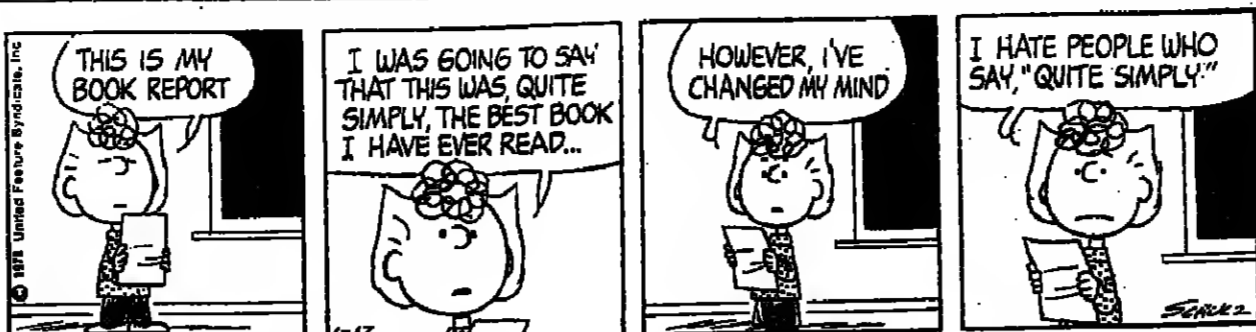
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Ci HONEYWELL BULL
94, avenue Cambetta,
75960 Paris Cedex 20.

A 13x13 crossword puzzle grid. The grid is filled with black squares to indicate non-letter positions. Numbers 1-71 are placed in the starting squares of the words.

WEATHER

[illegible][illegible]



Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BLONE

□ □ □ □ □ □ □ □

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ENCEF

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TABED

□ □ □ □ □ □ □ □

DORVOE

□ □ □ □ □ □ □ □




She's indispensable to him.

Yours of the...

ONE NEEDS ANOTHER
TO WRITE IT.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: 

(Answers alternate)

Yesterday's | Jumbies: TABOO FEIGN BOUNTY WHOLLY

Answer: What happened to his hopes of an increased allowance—with this kind of a "report"—THEY WENT 'BANG'!

*"Reprinted as a newspaper of the Post Office
Printed in Great Britain"*

Reviewed by Christopher Lehmann-Haupt

IF Victoria Glendinning's biography of Elizabeth Bowen is successful, as I think it finally is, it is a success achieved under certain severe handicaps. I am not at all certain that the author, who is an English literary journalist now working as an editorial assistant on the Times Literary Supplement, persuades us that we ought still to be reading the Anglo-Irish novelist and short-story writer who lived from 1889 until 1972. Elizabeth Bowen "is a major writer," argues Mrs. Glendinning in the opening lines of her foreword; "but she should appear in any responsible list of the ten most important fiction writers in English on this side of the Atlantic in this century . . . She is what happened after Bloomsbury; she is the link that connects Virginia Woolf with Iris Murdoch and Muriel Spark."

However accurate such judgments may be and as the author herself admits, "it is too soon to assess precisely her place among twentieth-century novelists"—nevertheless, Miss Bowen is presented in these pages as something of a period piece. Putting aside that all of her fiction from "Encounter," the collection of stories with which she made her debut in 1923, to "The Death of the Heart," her best known novel, which she published in 1938, depended for their understated, lyrical impact on a civilization that died with World War II, the fact still remains that she wasn't much interested in the literature of modernism. There are signs of evidence for this traditionalism, in the pages of this study

artist. Because of the defense, with which Mrs. Glendinning relates her subject's psychological growth to her vocation as a writer, I would think this biography would serve as exemplar reading for any young person wondering if he or she perhaps the makings of a writer. To this observation it should quickly be added, however, that the peculiar combination of a self-servitude and dependency in Miss Bowen's character—a combination that at least in part accounts for her literary vocation—was very much a product of the times she lived in.

Finally, one has to admire, as well as be grateful for, the degree of comparison with which Mrs. Glendinning has written her narrative. Even after Alan Cameron's death, he to some degree throughout his career, Elizabeth Bowen's life was one of hustle and bustle—of friends well met, of weekend house parties at which parlor games were passionately played, of lectures delivered as a journalist's assignments followed, of travels between England, Ireland and the United States. Mrs. Glendinning does extremely well at capturing the busyness of this life without interrupting its energetic forward thrust of its narrative. With a little less discrimination, she could have written a study more than 600 pages long and accomplished little better than she has which bore to produce a book that is entirely absorbing to those of who are already fans of Elizabeth Bowen, and by no means excludes those of us who

not.

Christopher Lehmann-Haupt is a book reviewer for The New York Times.

The New York Times
This list is based on reports from
more than 1,400 bookstores throughout
the United States. Weeks are not ne-
cessarily consecutive.

FICTION		Last Wk
This Week		Rank
1	The Gunsmelter, by J.R.R. Tolkien	1
2	The Thorn Birds, by Colleen McCullough	2
3	The Hobbit, by J.R.R. Tolkien	3
4	The Honourable Schoolboy, by John Le Carré	4
5	Earthly Powers, by Gore Vidal	5
6	The Book of Merlyn, by T.H. White	6
7	Baggins, Thief, by Irwin Shaw	7
8	The Great Gatsby, by F. Scott Fitzgerald	8
9	Joseph Wambaugh	9
10	Dynasty, by Robert Bly	10
11	The Immigrants, by Howard Fast	11
12	The Great White Hope, by Bernard Malamud	12
13	Delta of Venus, by Anaïs Nin	13
14	The French Room, by Marilyn French	14
15	The Second Deadly Sin, by Lawrence Sanders	15
16	EO 20, by J.D. Gilman	16
17	John Galt, by Ayn Rand	17
NONFICTION		
1	All Things Wisteria, by E. B. Lewis	1
2	The Book of Herodotus	2
3	Great Waldo's Story, Irving Berlin	3
4	On the Edge of the Desert, by George, text by Will Wyden	4
5	Survivors, illustrated by Ellen West	5
6	The Complete Book of Running, by James Flax	6
7	The Armyville Book, by J. A. Jones	7
8	Living Men, by Alastair Cooke	8
9	Six Look Out for the President	9
10	Down the Seal and into the Poisons, by George and Edith Holden	10
11	The Country Diary of an Englishwoman, by Edith Holden	11
12	The Second Ring of Power, by E.B. White	12
13	Letters to a Young Poet, by E.B. White	13
14	From Dad Rather than Mickey Herskowitz	14
15	The Great White Hope, by Bernard Malamud	15
16	Original, by Richard Leacock	16
17	Let's See How It Goes, by Allen Big Owsy Cry, Jr.	17
18	Even Karris and Harry	18

—By Alan Truico

A player who makes a traditional no-draw opening bid, with about 17 high-card points, feels complacently contented. It is known that he has a good chance of game, or even slam, and that the worst that is likely to happen to him is to throw a small minor, either because his side fails by a trick or because the enemy else

On the diagram South opened one no-trump.

East balanced with a double and everyone passed. This proved to be a bonanza for the defenders.

East won the opening diamond lead with the ace and returned the six. West took the king, and was in no hurry to cash the

NORTH
4110
♣—
♦—
♥86

WEST
♠—
♥4
♦—
♣A98

EAST
427
♥7
♦—
♣87

NORTH
411062
075
083

WEST EAST

♠ 93 ♠ A875

♥ Q1043 ♥ KQ2

♦ K1052 ♦ A3704

♣ A99 ♣ 47

SOUTH (D)

♠ AQ4

♥ 7398

♦ Q9

♣ K1043

North and South were vulnerable. The bidding:

South	West	North	East
1NT	Pass	Pass	Pass
Pass	Pass	Pass	Dbl.

West led the diamond two.

Now the lead of the last
mond ruined the declarer. I
threw a club. West would
a heart, and vice versa. I
lead of his club gave his partner
the last three tricks for
five tricks, a penalty of 1,400.
"You should have rescind-
two clubs after the double,"
complained bitterly to his partner.
"Even if they double that
would only go one down."
"Two down," East announced
putting the analysts right.
"I can play spades and promote
trick for the club nine."

هذه اموالنا

Turnovers Hurt Broncos

Cowboys Win, 27-10, In the Super Bowl

By William N. Wallace

NEW ORLEANS, Jan. 16 (NYT). — The Dallas Cowboys used every weapon in their formidable offensive inventory last night to turn back the Denver Broncos, 27-10, and win the championship of the National Football League—the Super Bowl game—before 74,500 people in the Superdome here.

The play that broke the back of the Denver defense was a 45-yard touchdown pass, Roger Staubach to Butch Johnson, in the eighth minute of the third quarter.

The Cowboy scouting report on Craig Morton said that the Denver quarterback was "easily rattled." The report was right. In the first quarter, a rattled Morton let go a pass that should never have been thrown and it was intercepted by Randy Hughes of the Cowboys on the Bronco 25-yard line.

Five plays later the Dallas team scored the first touchdown of the game. In 10 of the last 11 Super Bowl contests, the team scoring first won the game.

The touchdown was scored by Tony Dorsett, the Cowboy halfback, on a darting run over the left side as the Dallas line blocked the Denver defenders on the inside. The play ended a 25-yard drive.

But back to the circumstances of the interception. There was a posse of Cowboys surrounding Morton, clanking at him as he attempted to spot a receiver and sent the ball on its way.

They had him but Morton let go with a short push of the arm and the football flew only a few

feet into the lap of Hughes, who was on his knees.

Then the Cowboy offense, which looked foolish on its two prior series, went to work.

Staubach threw a perfect pass to Billy Joe DuPree, his almost perfect tight end, good for 13 yards to the Denver 12. It was a swing pass out to the right and DuPree barreled down into the corner of the field.

Two plays later Dorsett gained six over the right side to the Bronco four and two more plays later he scored. The play call from coach Tom Landry was dangerous and full of risk. Dallas had fourth downs and needed a yard to the two. The Cowboys got three—and six points—from Dorsett.

Ernie Herrera's conversion kick was good and Dallas led, 7-0.

Dallas soon had the ball back on a second interception of a Morton pass. This time it was not a rattled Denver quarterback but one screened off from the action by all six feet nine inches of Too Tall Jones, the Cowboy defensive end.

Over His Helmet

Bob Breunig, the middle line-backer, tipped and diverted the pass as it went over his helmet. Aaron Kyle, a cornerback, grabbed the errant aerial and raced 19 yards to the Denver 35.

The Bronco defense, as good as any in pro football, dug in. The players knew if they were to have any chance to win the Super Bowl—against most odds, opinions and point lines—they could not give Dallas a second touchdown here. And they did not.

Dorsett made a beautiful and for him typical inside-outside run over the right side for 18 yards to the Denver eight. The Cowboys went no further and Herrera came in to kick a 35-yard field goal, and Dallas was ahead, 10-0.

Morton had attempted at this point five passes, had completed one for a three-yard gain and had two interceptions. He did not know it but he was on his way to setting a Super Bowl record—a negative record of most passes intercepted in one game: four.

Six More Turnovers

The first quarter ended there but the turnovers did not. There were to be six in the second quarter, count 'em—six. And this was the Super Bowl, the alleged pinnacle of pro football? Shame.

The Cowboys did make three points at the start of the second half. Herrera was rushed onto the field for a 44-yard field goal

with skill to Preston Pearson for 12 yards and to DuPree for 19. He got lucky on the next one, a pass thrown into the Denver 23 that appeared to be intercepted by Bill Thompson in the Bronco end zone.

But Staubach had his right foot cut off bounds when he threw the pass, which nullified the play. Herrera then came in and kicked a 43-yard field goal so Dallas led, 13-0.

After that the turnovers came but no further points were scored. The Broncos, who had done next to nothing on offense, were fortunate to go into the locker room at the half behind by only 13 points. The Cowboys had gotten a little too cute.

How the Ball Bounced

The ball went back and forth as follows:

Benny Barnes of the Cowboys intercepted a Morton pass intended for Haven Moses but Dallas could not move. A sack of Staubach by Robin Carter, the third quarterback drop of the game for the Denver pass rush, was responsible.

The subsequent punt by Danny White hit John Schultz on the helmet and bounced away to be taken by Bruce Entner, a recovered fumble. All that the Cowboys got out of that was an unsuccessful field goal attempt of 43 yards by Herrera, the first of three he was to miss in the quarter.

Jack Dolbin, the Denver wide receiver, dropped a pass he had caught from Morton, for another fumble. This one was recovered by the ubiquitous Hughes, the fifth Cowboy defensive back used on passing downs, who returned 19 yards to the Denver 20; the Cowboys had a great chance.

In the End Zone

But a swing pass to Bobby Newhouse, the fullback, lost seven and Pearson dropped a pass in the end zone. Then Herrera's 32-yard field goal attempt was wide to the right.

Riley Grooms repeated the Dolbin play, fumbling a Morton pass he had caught, and Hughes recovered on the Denver 27. There was another great chance for the Cowboys to tuck the game away with a touchdown for a 20-0 lead.

But DuPree got in the fumbled-pass reception act. He dropped a pass from Staubach and Tommy Jackson recovered it.

The sixth turnover was a pass interception, Mark Washington of the Cowboys picking off a poorly thrown Morton aerial and returning it to the Denver 36 with six seconds left to play in the first half. Herrera was rushed onto the field for a 44-yard field goal



FIRST BLOOD — Tony Dorsett of Dallas romps into the end zone with the first Super Bowl touchdown.

attempt, which was wide to the right.

The halftime statistics were revealing. The Cowboys had 9 first downs and 146 total net yards gained to 3 and 73 for the Broncos. They had run 39 plays to Denver's 23. Staubach had completed 9 of 14 pass attempts for 84 yards but 26 were subtracted because of the four times he had been dropped for losses.

Morton's passing record was sad. 4 completions in 10 attempts and 4 completed to Cowboys for interceptions and a net of 29 yards. The turnover record was impressive. The Cowboys had fumbled four times, losing one by DuPree. Denver had fumbled three times and lost all three plus the four intercepted passes for a total of seven turnovers in 30 minutes of play. Teams that give away the ball seven times seldom win the game. But the Broncos were only 13 points behind.

In the third period the Broncos finally did something on offense. They got a nine-play, 35-yard drive out of the Cowboy defense and then Jim Turner came in and booted a 47-yard field goal, a yard shy of the Super Bowl record. The ball just barely went over the cross bar on its way down. The Broncos were only 10 points behind and Super Bowl XII was not a rout but a contest.

The Cowboys have often been described as explosive and they did explode midway through the third period, Staubach igniting the fuse. Under a heavy pass rush, he let go with a deep pass way downfield, where Butch Johnson was running as fast as he could.

Accompanied by two Denver defensive backs, Steve Foley and Bernard Jackson, Johnson reached for the football and caught it with the tips of his fingers as his body sailed through the air and over the Denver goal line.

He then dropped the ball but the official ruling was that he had possession as he went across that goal line. It was a touchdown, a spectacular touchdown and Dallas, after Herrera's conversion kick, was 17 points ahead, 20-3.

Denver was almost, but not completely, through. Rick Upchurch made a 67-yard return of the subsequent kickoff, a run that set a Super Bowl record for kickoff returns and also set some standard for excitement. Upchurch eluded four tacklers along the way as he went to the Dallas 25.

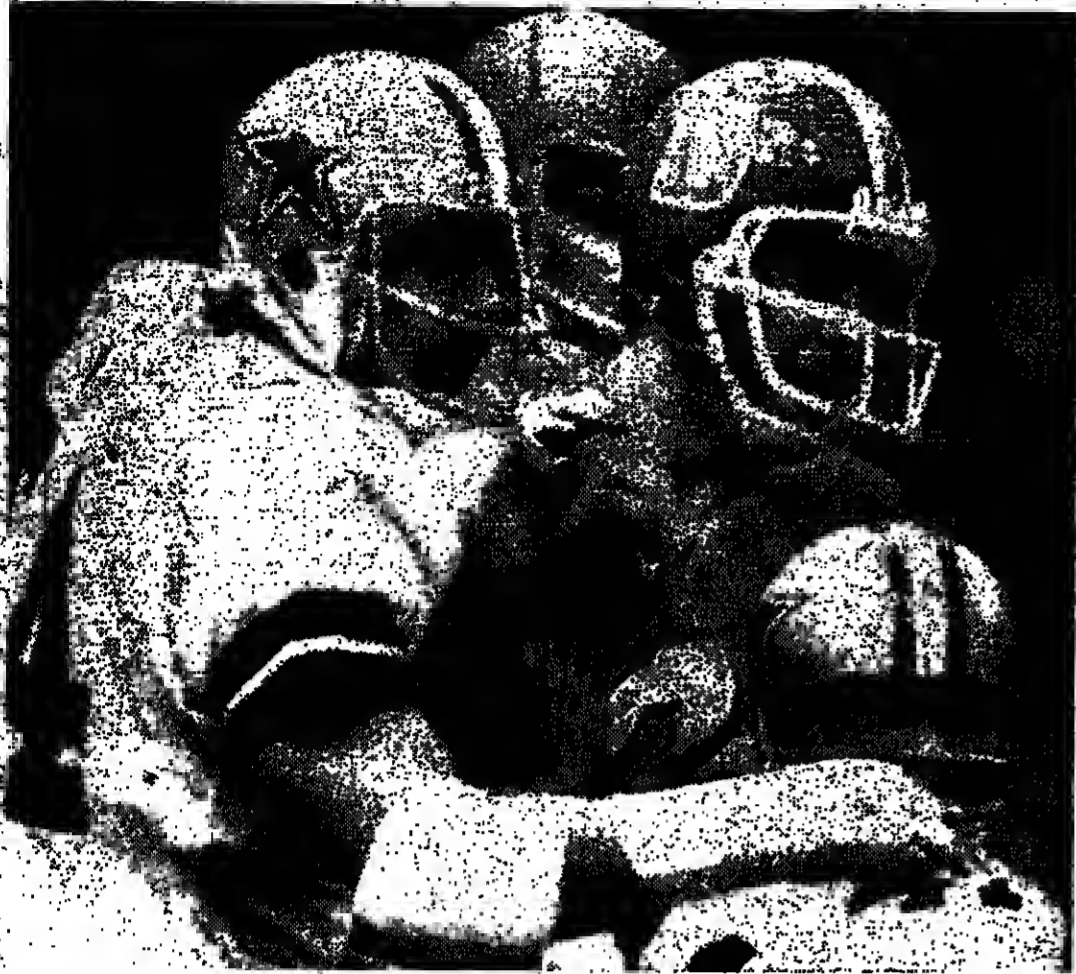
Norris Weese replaced Morton as quarterback and a smashing run by Jim Jensen, a former Cowboy, brought Denver down to the Dallas one-yard line. Rob Lytle punched at the Cowboy line and went into the end zone, but just barely, for the Bronco touchdown.

Turner made the conversion kick and the Broncos were 10 points behind, not 17, with the score, 20-10, for Dallas.

Dallas scored once more before the game was spent, Denver didn't. The final Cowboy score came on a fullback option touchdown pass from Newhouse to Golden Richards, who had a step on his defender. Richards made a diving catch for the score. Morton finished the Super Bowl with 4 completions in 15 attempts, for 39 yards. Staubach completed 17 of 25, for 183 yards.

Soccer Player Out

MADRID, Jan. 16 (UPI). — Spanish soccer international Jose Camacho underwent surgery for a torn knee ligament last week. This has probably ended his chances of playing for Spain in June. Camacho suffered the injury during practice for his club, Real Madrid.



ALL EYES — Quarterback Craig Morton of Denver ("D" on helmet) is surrounded by Dallas players as they watch a pass being intercepted in the first quarter of the game.

Once Again, Morton Picks A Bad Time for a Bad Game

By Kenneth Denlinger

NEW ORLEANS, Jan. 16 (WP). — Craig Morton had been there before after important games, his on his chest, wringing his hands and saying: "It was a bad time to play a bad game—and I certainly played one today."

By halftime last night, Morton had broken the Super Bowl record for interceptions, with four. "Half as many as I threw all year," he said with a forced smile. "There was quite a bit of pressure."

Two Morton interceptions allowed the Cowboys to gain a 10-0 lead on the Broncos and when he let Too Tall Jones in the chest with a feeble effort late in the third quarter he suffered the minute indignity, a public enacting.

No Long Wait

Most coaches pull their quarterback on a change of possession, at the backup, Norris Weese, seemed to be trotting onto the field just as the ball was bouncing off the clearly startled Jones and onto the Superdome turf.

"That's not important," Morton said of the embarrassment. "They just wanted to get something going, and he (Weese) can get out of the pocket. He set some stuff up (the lone Bronco touchdown after an on-the-move pass to Jim Jensen) so they left him in."

This affair so resembled the story of Morton's football life in major games. The last time he was in such a position, with the Cowboys in Super Bowl V, there also were scads of fumbles and interceptions.

Yes, it was Morton who threw the interception that allowed the Baltimore Colts to score a three-point victory on Jim O'Brien's field goal in the final seconds. "I'm not real good in Super bowls," he allowed.

Reverse Roles

The Denver defense postponed its inevitable as long as possible, but as linebacker Randy Green said, "We were lucky to be down by just 13 points at the half. What the Cowboys did was play our type of game."

In truth, the Cowboys gave the Broncos several chances early, with a large loss on a trick play in the first snap of the game and starting from their own one-yard line on their second possession.

The Cowboy defense was excellent the entire game, with Harvey Martin and Randy White being the choicest of pass-rushing players. With White draped on him on second-and-20 midway through the first quarter, Morton threw the first of his fatal passes.

Morton seemed to be trying to throw the ball away, and he later said: "He (White) hit my arm." He hit it just enough so the ball fluttered to the Cowboys' Randy Hughes at the Bronco 25.

Five plays later, on fourth and two inches near the two, Tony Dorsett bounced off two Broncos and slipped into the end zone with the touchdown that settled down the Cowboys.

"Two times they hit my arm," Morton said of his interceptions and two times I just didn't throw the ball right." One of the times his arm was smacked, Aaron Kyle intercepted a tipped ball, which the Cowboys converted into a 10-0 lead.

Praise for Victors

On the two other interceptions, Morton simply could not avoid his former teammates, saying, "They forced me into predictable situations. They were good today—and they whipped us."

Morton accepted his fate with dignity, refusing to slip away to the refuge of the shower and reflecting on a splendid season that ended the way form suggested.

shackled at all the important times.

"Nobody expected us to be here," Morton said. "I'm real proud the Lord got us this far. We'll just have to start all over next year."

Indeed, there is much affection for Morton among the Broncos. Perhaps 10 minutes after the 27-10 affair ended, the offensive left tackle, Andy Maurer, walked up to him, hugged him and said, "Thanks for getting me here."

Tennis World to Select Champions

PARIS, Jan. 16 (UPI). — Tennis is to have an official world championship for the first time, the International Tennis Federation announced today.

The federation's chairman, Philippe Chatrier of France, said at a news conference that the 1978 men's and women's champions, to be selected by a panel of former top players on the basis of performance during the year, will be chosen next January.

The managing committee of the federation also decided to maintain a provisional ban on the double-strung "spaghetti racket" until a commission of inquiry has time to make a full report, Chatrier said.

Complaints at the Top

The committee issued a provisional ban on the racket at its last meeting in Barcelona in October following complaints from top players that it gave weak competitors an unfair advantage.

The "spaghetti racket" has a double set of strings, which increases an average player's topspin and volley potential. The racket first achieved notoriety during a tournament in Paris last September when a little-known Frenchman, Georges

Goven, used the new racket to trounce Nicola Pietrangeli.

In another bid of news involving Nasse, the Davis Cup managing committee has voted to uphold his suspension from 1978 cup competition, Chatrier said.

Nasse, renowned for his disputes with line judges and for his on-court tantrums, was suspended last year for "unbecomingly conduct" during a Davis Cup match against England in June.

Discussing the plan to choose a champion, Chatrier said the managing committee, at a three-day meeting in Paris, decided that the winners will be selected on the basis of their performances in major tournaments but not on a points system—hence the need for a panel.

For the men, there will be the four grand slam tournaments—the French, English, U.S. and Australian Open championships—plus the Davis Cup, the U.S. Masters and the World Championship Tennis finals in Dallas.

For the women, the deciding events will be the Grand Slam championships, the Federation Cup, the Virginia Slims tournament and the Colgate series finals.

Lots of Champions

"We decided to start naming an official world champion because we were tired of seeing a proliferation of so-called unofficial champions—especially in the United States," Chatrier said. "From now on everyone will know who is the real and only champion."

There will be no money prize attached to the title, Chatrier said, "because we don't want to get caught up in the increasing commercialization of the sport. We will not allow any sponsorship of this title. We might give the champion some sort of trophy, though."

Forest closed the gap to 66-65 with 4 minutes remaining.

North Carolina gained its 15th victory in 16 games, 8-1 in ACC competition, but needed four key free throws from Ford and one from Jeff Wolf at the end.

Led by Jerome Whitehead's 22 points and 19 each by Ulise Payne and Butch Lee, Marquette defeated Nevada-Las Vegas its second defeat in 17 games, 87-81, at the Milwaukee arena.

North Carolina, upset 24 hours earlier by Duke, 82-84, held off a late Wake Forest rally for a 71-69 Atlantic Coast Conference success at Chapel Hill, N.C.

Sergei Lovalev's 12-foot jump shot at the buzzer gave the Soviet Union national team an 80-79 victory over UCLA on the loser's court. The deciding basket came after two free throws by David Greenwood put the Bruins ahead with 29 seconds left.

"We came ready to play and show everybody what kind of a team we are," said Lee, the Warriors' captain and the most valuable player in last March's NCAA championship tournament. "A lot of people say we've been sloppy and that our mistakes had almost caught up with us. We read those things."

"I think the press gave us a little help today by saying those things. Today we were ready to defend our pride. We're a better team than last year. We have more of a bench and more people doing the scoring this year."

Checked Inside

Marquette's tight man-to-man defense was a key factor in the defeat of the run-and-gun Las Vegas-Nevada, which was seldom able to pass inside.

Mike O'Koren and Phil Ford combined for 34 points for North Carolina. O'Koren, who had only 4 of his 18 points at halftime, opened the second half with 8 straight points to push his team into a 47-38 advantage. But Wake

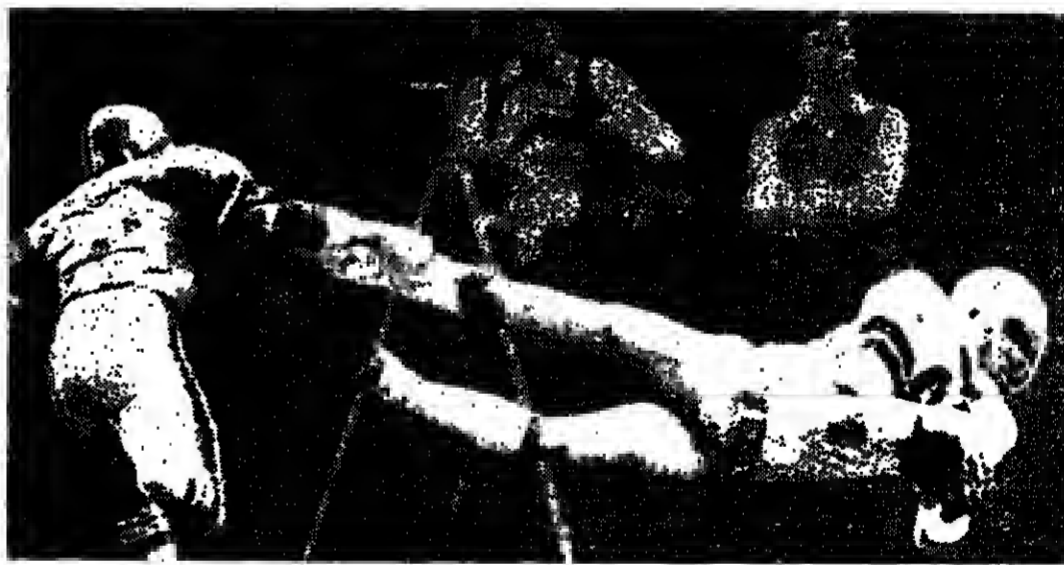
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THE BACKBREAKER — Butch Johnson of Dallas pulls in a long pass for a touchdown. Although he fumbled, it was ruled that he had possession as he went into the end zone.

